AMENDMENT TO PURCHASE AGREEMENT

This Amendment to Purchase Agreement (the "Amendment") is entered into as of July ___, 1998, by and between BOEING REALTY CORPORATION, a California corporation (formerly known as McDonnell Douglas Realty Company) ("SELLER"), and VESTAR DEVELOPMENT CO., an Arizona corporation ("BUYER") in order to reinstate and amend that certain Agreement for Purchase and Sale of Property and Escrow Instructions between SELLER and BUYER dated as of March 31, 1997 (the "Purchase Agreement"). All capitalized terms used in this Amendment and not otherwise defined herein shall have the same meanings as they have in the Purchase Agreement.

1. Reinstatement. Several of the conditions set forth in the Purchase Agreement were not fulfilled such that, through no default of the parties, the Closing could not occur in according with the provisions of the Purchase Agreement. SELLER and BUYER hereby reinstate the Purchase Agreement and, concurrently therewith, hereby amend the Purchase Agreement as set forth in the Amendment.

2. Entry Road; Configuration of Property. SELLER has elected to construct the Entry Road at the location depicted as the "Ingress-Egress and Utility Easement" on Exhibit "A" to Purchase Agreement (*i.e.*, the straight-line alignment of Denker Avenue, now contemplated to be named "Harborgate Way," as per currently proposed plans submitted to the City). BUYER has elected that the Property shall include only the Contemplated Site. Accordingly, the last two sentences of the first paragraph of Section 1.1(c) are hereby deleted in their entirety and replaced with the following:

> SELLER and BUYER acknowledge that they estimate the Net Land Area of the Property will be 1,196,214 square feet (*i.e.*, 27.46 acres) such that the Purchase Price will be $12,081,761. To the extent the actual Net Land Area of the Property as calculated pursuant to the foregoing provisions of this Section exceeds 1,196,214 square feet, the Purchase Price shall be increased by $10.10 per square foot of additional Net Land Area, and to the extent the actual Net Land Area of the Property is less than 1,196,214 square feet, the Purchase Price shall be decreased by $10.10 per square foot of reduced Net Land Area.

3. Credit Against Purchase Price. BUYER and SELLER have been discussing the matter of SELLER's performance of the Site Work pursuant to Section 1.5(a) of the Purchase Agreement. In consideration for BUYER's agreement under Section 10 below that the Site Work has been completed, SELLER agrees to grant BUYER a credit against the Purchase Price in the amount of FIFTY THOUSAND DOLLARS ($50,000).

4. Deletion of Incremental Purchase Price. BUYER and SELLER have agreed that the Purchase Price shall include only the Base Purchase Price (*i.e.*, BUYER will not be required to pay any Incremental Purchase Price or City Consideration). Accordingly, the second paragraph under Section 1.1(c), Section 1.1(d), the phrase ", as calculated two weeks prior to the Closing pursuant to Section 1.1(c)," in Section 1.2(c), Section 1.2(d), Section 1.9 and Exhibit "D" of the Purchase Agreement are hereby deleted in their entirety. In addition, all references in the Purchase Agreement to "Incremental Purchase Price" or "City Consideration" are hereby deleted. All references to "Base Purchase price" in the Purchase Agreement are hereby amended to state the "Purchase Price."

5. Tract Map. Exhibit "E" to the Purchase Agreement is hereby deleted and replaced with the Vesting Tentative Tract Map No. 52172 attached hereto as Exhibit "1", which has been approved by the City (the "Vesting Map"). SELLER and BUYER acknowledge that there is no formal document entitled "Master Plan" being processed with the City and that the approval of SELLER's master plan of development for the 170-Acre Parcel has been accomplished by the City's approval of the Vesting Map. Accordingly, all references to "Master Plan" in the Purchase Agreement shall be construed as references to SELLER's overall plan for

development of the 170-Acre Parcel as reflected in the Vesting Map and the Master EIR and other documents processed in connection the Vesting Map. SELLER and BUYER acknowledge that, in order to accomplish the Reparcelization, BUYER is processing a revision of the Vesting Map, including a reconfiguration of the exterior boundaries of the Property and the eight parcels within the Property under the Vesting Map, a copy of which revision is attached hereto as Exhibit "2" and is hereby approved by SELLER (the "Map Revision"). As set forth in the last sentence of Section 1.4(b) of the Purchase Agreement, the portion of the cost of processing the Map Revision attributable to the subparcelization of the Property into eight legal parcels shall be completed at BUYER's sole expense. SELLER and BUYER further acknowledge that BUYER has completed the rezoning of a portion of the Property (*i.e.*, Parcel 8 of the Map Revision) to permit hotel use ("Hotel Rezoning") at Buyer's sole expense. SELLER and BUYER further agree and acknowledge that the Hotel Rezoning is specifically subject to the provisions of the first sentence of Section 1.4(e) of the Purchase Agreement and is a Specific Site Approval the approval of which shall not be a condition to the Closing and shall not delay or impede the Reparcelization or the Closing. SELLER and BUYER further agree and acknowledge that BUYER shall be solely responsible for complying with all conditions imposed in connection with the Hotel Rezoning at BUYER's own expense, whether consisting of the payment of money, participation in the construction or installation of any onsite or offsite improvements (including the upsizing of any facilities included in Seller's Offsite Improvements) or other obligations, and SELLER shall not be obligated to fulfill any conditions imposed in connection with the Hotel Rezoning or incur any expense or liability as a result thereof.

6. Site Plan. SELLER hereby approves the draft of Buyer's Site Plan in the form attached hereto as Exhibit "3," subject to-SELLER's and BUYER's ongoing rights under Section 1.4(d) of the Purchase Agreement regarding possible future modifications. SELLER and BUYER agree and acknowledge that SELLER has not yet approved the building elevations or exterior design of Buyer's Contemplated Improvements, but that SELLER will approve such matters (i) as to the improvements to be constructed for the use of AutoNation provided they are substantially equivalent to the plans used in AutoNation's Phoenix, Arizona and Orange County, California dealerships, (ii) as to the improvements to be constructed for Office Depot provided they are substantially equivalent to the standard plans currently being used for Office Depot stores in the City of Los Angeles, and (iii) as to the improvements to be constructed for Extended Stay America provided they are substantially similar to the plans being used for the Extended Stay America hotel approved for development in Huntington Beach, California, all of the foregoing subject to SELLER's approval of landscaping and fencing plans which will provide for screening and safety purposes along the southerly boundary of the Property to visually separate the Property from the remainder of the 170-Acre Parcel to the south. The provisions of Section 1.4(d) of the Purchase Agreement shall continue to apply to all other approvals concerning Buyer's Contemplated Improvements (including, but not limited to, material modifications or deviations from the foregoing described matters and subject to the understanding that SELLER shall not be required to approve any building that has a pitched roof).

7. Conditions to Land Use Approvals. Section 1.4(e) of the Purchase Agreement is hereby amended to state that the "Anticipated Conditions" shall mean conditions to approval of the Land Use Approvals that are not caused by any revision of the Site Plan or other plans pertaining to the Property by BUYER after the date of this Amendment and that constitute material modifications or additions to the potential conditions communicated by the City's representatives to BUYER or otherwise reasonably known to BUYER as of the date of this Amendment, including, but not limited to, the conditions described in Exhibit "4" attached hereto, all of which BUYER hereby approves.

8. Conditions to Specific Site Approvals. BUYER acknowledges that it has satisfied itself that it will be able to obtain the Specific Site Approvals on terms and conditions acceptable to BUYER and its prospective tenants. The second sentence of Section 1.4(f) of the Purchase Agreement is hereby deleted, and BUYER acknowledges that it has no further right to terminate the Purchase Agreement thereunder. In addition, all of the references to "June 15, 1997" in the remaining portions of Section 1.4(f) are hereby revised to be references to the date of this Amendment, and BUYER acknowledges that the potential conditions to approval of the Specific Site Approvals known to BUYER as of the date of this Amendment include, but are not

limited to, the conditions set forth in Exhibit "4" attached hereto, all of which BUYER hereby approves.

9. Entitlement Schedule. The last sentence of Section 1.4(f), the last sentence of Section 2.3 and the Entitlement Schedule attached as Exhibit "G" to the Purchase Agreement are hereby deleted in their entirety.

10. Completion of Site Work. BUYER acknowledges and agrees that SELLER has completed the Site Work as required pursuant to Section 1.5(a) of the Purchase Agreement. In connection therewith, the parties acknowledge that they have discussed at length the scope and detail of the work done, including, but not to, BUYER's desire that each excavation bottom be certified as may be required by the City in connection with later issuance of building permits. The parties specifically agree that, in completing the Site Work, SELLER was not obligated to have the excavation bottoms certified or do any other work except as set forth in the Demolition Plans, and BUYER acknowledges that it is satisfied to its reasonable satisfaction that all work specified in the Demolition Plans has been completed. Nothing in this paragraph shall limit BUYER's right to require SELLER to complete any uncompleted work specifically required under the Demolition Plan to the extent such incompleteness cannot be reasonably established as of the date of this Amendment (*e.g.*, if a footing that was to be removed to a depth of four feet under the Demolition Plans has been removed only to a depth of two feet, BUYER will have the right to require SELLER to complete the removal of such footing to a depth of four feet).

11. Railroad Crossing. BUYER and SELLER acknowledge that they have completed their efforts with the Union Pacific Railroad Company to negotiate a railroad crossing along Normandie Avenue, which efforts have resulted in the execution of a Memorandum of Understanding between SELLER and Union Pacific Railroad Company, dated June 4, 1997, a copy of which is attached hereto as Exhibit "5". SELLER shall comply with the provisions of such Memorandum of Understanding and will use reasonable efforts to obtain the required approvals regarding such railroad crossing by the California Public Utilities Commission and the City. BUYER agrees to cooperate in SELLER's and other parties' efforts to obtain such approvals. Notwithstanding the provisions of Section 1.5.(g) of the Purchase Agreement, SELLER shall not be required to complete any railroad crossing improvements until the date eighteen (18) months after the Union Pacific Railroad Company or its successor gives formal written approval of the railroad crossing at Normandie Avenue and proposed Knox Street. The last sentence of Section 1.4(g) of the Purchase Agreement is hereby deleted in its entirety, as is any reference to the "frontage road" or any easement relating thereto in Section 1.8(a)(ix); except as set forth in Section I.B of the CC&R's attached hereto as Exhibit "9," SELLER shall not be obligated to grant any easement over any portion of the 170-Acre Parcel lying south of Knox Street (previously referred to as 195th Street in the Purchase Agreement).

12. Form of Environmental Indemnity, BUYER and SELLER hereby agree that the form of Environmental Indemnity attached as Exhibit "I" to the Purchase Agreement is hereby deleted and replaced with Exhibit "6" attached hereto.

13. Form of Guaranty. BUYER and SELLER hereby agree that the Guaranty, as described in Section 1.6(c) of the Purchase Agreement, shall be in the form attached hereto as Exhibit "7."

14. Deadline Date; Seller's Offsite Improvements. Except for SELLER's execution and delivery of a covenant agreement to the City regarding completion of Seller's Offsite Improvements and SELLER's posting of customary subdivision bonds in connection therewith, SELLER and BUYER acknowledge that all of SELLER's Offsite Improvements that are required under the Purchase Agreement to be completed prior to the Closing have been completed. Accordingly, the concept of the "**Deadline Date**" shall have no application with respect to any portion of Seller's Offsite Improvements other than the Deferred Work as to which Section 1.5 and the other applicable provisions of the Purchase Agreement shall continue to apply; provided, however, that the sentence in Section 1.5(a) immediately following the sentence containing the definition of "**Deferred Work**" shall be deleted in its entirety such that there shall be no holdback of any portion of the Purchase Price upon the Closing. As part of SELLER's Offsite Improvements, SELLER shall perform, at no expense to BUYER, each of the conditions to approval of the Vesting Map set forth in the letter from the City to SELLER

dated June 6, 1997 (the "Map Approval") the conditions to approval of Conditional Use set forth in the letter from the City to SELLER dated June 25, 1997 (the "CUP Approval"); provided, however, that BUYER shall be obligated to perform, at no expense to SELLER, each of the conditions set forth in the Map Approval and CUP Approval to the full extent such conditions are applicable to the Property. All further conditions that may be imposed in connection with the Master Plan or Reparcelization shall continue to be subject to the applicable provisions of the Purchase Agreement. Notwithstanding the foregoing or the provisions of Section 1.5(a) of the Purchase Agreement, SELLER shall complete the Entry Road by the later of the date three (3) months after the Closing Date or December 15, 1998.

15. Status of Remediation. BUYER and SELLER acknowledge that SELLER has been prosecuting the Remediation and has met with the environmental consultants of BUYER and its prospective tenants regarding the details of the Remediation and the matters to be included in the Remediation Plan, and the anticipated courses of action by the Governmental Agencies with respect thereto, since execution of the Purchase Agreement. Based upon the foregoing, SELLER and BUYER agree that the elements of the Remediation that need to be completed in order for the Completion to occur, as well as the elements of the Remediation that will be part of the Excluded Portion, are set forth in Exhibit "8" attached hereto. BUYER and SELLER agree and acknowledge that the letter from the Water Board to SELLER, dated April 21, 1998, constitutes satisfactory evidence that the items specified under part A of Exhibit "8" have been completed. Accordingly, BUYER and SELLER agree that the Completion has occurred. BUYER and SELLER acknowledge that the foregoing has not yet been reduced to a document that the parties can designate as the "Remediation Plan" under Section 1.6, but that the formal documentation already delivered to BUYER's consultants, as described in Exhibit "8" attached hereto, contain the various elements of the Remediation to be included in the Remediation Plan.

16. Form of CC&Rs. SELLER and BUYER hereby agree that the CC&R's, as described in Section 1.8 of the Purchase Agreement, shall be in to the form attached hereto as Exhibit "9." SELLER and BUYER acknowledge that certain provisions of such form of the CC&Rs have been drafted in the hope of satisfying the anticipated requirements of Governmental Agencies concerning the Remediation. SELLER believes that the provisions of the CC&Rs attached hereto as Exhibit "8" are not sufficient to satisfy the requirements of the Governmental Agencies prior to the Closing with respect to restricting or prohibiting the Property from residential, school, hospital or such other uses as to which heightened or special requirements or standards may apply, and SELLER has prepared a form of Declaration of Restrictive Covenants in the form of Exhibit "10" attached hereto, a copy of which has been forwarded to the Water Board for its approval (the "Declaration of Restrictive Covenants"). SELLER and BUYER agree that the Declaration of Restrictive Covenants, with such modifications as may be requested by the Water Board, shall be recorded against the Property; provided, however, that in the event the Governmental Agencies restrict the Property so that it may not be used as an extended stay or other hotel as contemplated by BUYER's Site Plan, BUYER shall have the right to terminate the Purchase Agreement and receive a refund of BUYER's Deposit. SELLER shall use reasonable efforts to obtain the Water Board's approval of the Declaration of Restrictive Covenants prior to the Closing, and the Water Board's approval of the Declaration of Restrictive Covenants such that it can be recorded upon the Closing shall be a condition to the Closing for BUYER's benefit. Nothing in the CC&R's shall constitute any waiver or release by SELLER or BUYER of any right or obligation under the Purchase Agreement. SELLER and BUYER acknowledge that a draft of page 3 of Exhibit "E" to the CC&R's is included in the form of the CC&R's attached hereto, depicting a conceptual design for the monument signs to be located therein. SELLER shall have the right to modify such page 3 of Exhibit "E" before the CC&R's are recorded, provided that the monument signs shall be of similar character to that shown in the attached draft of Exhibit "E" (*i.e.*, concrete or similar material extending not more than eight (8) feet above the ground and not having an overall length greater than forty (40) feet.

17. Abandonment of Wells. SELLER and BUYER agree and acknowledge that they desire to cause to be abandoned monitoring wells no. 2, 3, 4 and 5, as depicted in Exhibit "D" to the CC&Rs, and that the Water Board has approved such abandonment. SELLER agrees to cause the abandonment of well nos. 2, 3, 4 and 5 to be completed by July 31, 1998. The parties acknowledge that the Water Board will require the installation of a new monitoring well as development of the Property proceeds, and SELLER agrees to complete the

installation of such new monitoring well in such location, and according to plans and specifications, as the Water Board may require. BUYER agrees to reimburse SELLER for the actual cost incurred by SELLER to remove well no. 3 and install the new well, up to a total reimbursement not to exceed $12,000. In addition, SELLER agrees to cause the abandonment of the water well located adjacent to Harbor Gateway at SELLER's sole expense at such time that the Governmental Agencies permit such removal (the parties acknowledge that water testing has disclosed the existence of substances that may prevent removal of the well for some period of time).

18. Leaseback of Loading Area. The outside date set forth in Section 1.11 of the Purchase Agreement for the termination of SELLER's leaseback from BUYER of the Leased Parcel is hereby revised to be March 31, 2001. Exhibit "0" to the Purchase Agreement (*i.e.*, the depiction of the Leased Parcel) is hereby deleted and replaced with Exhibit "11" attached hereto.

19. Removal of Title Exceptions. SELLER and BUYER acknowledge that the Title Company has superseded the Title Report by a new Preliminary Title Report dated as of July 30, 1997. SELLER acknowledges receipt of BUYER's notice of disapproval of title matters pursuant to the letter from BUYER's counsel to SELLER's counsel dated August 29, 1997 and supplemental letter dated October 27, 1997. SELLER and BUYER acknowledge that the Title Company has deleted or modified several of the exceptions listed in the foregoing described title reports by the Supplemental Report dated as of August 28, 1997. All further references to the "Title Report" shall be construed to include the Title Company's Preliminary Title Report dated as of July 30, 1997, as supplemented by the Supplemental Report dated as of August 28, 1997. SELLER hereby agrees to cause the Title Company to remove Item Nos. 1 (claim or potential claim for mechanics' lien), 3 and 24 (claims or potential claims for property taxes) and 26 (rights of parties in possession as exceptions to title such that the Title Policy can be issued to BUYER upon the Closing free and clear of such Item Nos. 1, 3, 24 and 26 of the Title Report. SELLER agrees to provide to the Title Company (and any other title company providing title insurance as to the Property concurrently with the Closing or within six months thereafter) a standard title company form mechanic's lien indemnity regarding any work done on the Property at the behest of SELLER, and SELLER further hereby agrees to indemnity, defend and hold BUYER harmless against any mechanics' liens arising due to SELLER's activities on or about the Property. Subject to the foregoing provisions of this paragraph and BUYER's rights under Section 2.1 of the Purchase Agreement as to supplements to the Title Report that may be issued after the date of this Amendment, BUYER agrees and acknowledges that BUYER has approved the condition of title to the Property, and that the Permitted Exceptions shall be all matters disclosed in the Survey or the Title Report other than Item Nos. 1, 3, 24 and 26 and such other matters as the Title Company has agreed to remove as of the date of this Amendment.

20. Second Deposit and Contingency Date. BUYER shall make the $125,000 Second Deposit concurrently with the execution of this Agreement, and BUYER agrees and acknowledges that the Contingency Date has passed and BUYER has elected not to terminate the Purchase Agreement as permitted pursuant to Section 2.3.

21. Tenant Contingencies. Section 2.4 of the Purchase Agreement is hereby deleted in its entirety (together with all cross-references to Section 2.4 contained in the Purchase Agreement), and all of BUYER's rights thereunder are hereby terminated.

22. Closing. The first sentence of Section 4.2 of the Purchase Agreement is hereby deleted in its entirety and is replaced by the following:

> Provided all conditions to the Closing have been satisfied or waived by the benefitted party, the delivery of funds and recordation of documents to be completed by Escrow Holder pursuant to Section 4.6 (the "**Closing**") shall occur as soon as practicable after the completion of the Reparcelization, but in no event later than thirty (30) days after completion of the Reparcelization (the "**Closing Date**").

In addition the reference to "20 days after the Deadline Date" in the second sentence of Section 4.2 is hereby revised to "December 31, 1998."

23. EDA Requirements. SELLER and BUYER acknowledge that SELLER has planned to include all or a portion of the 170-Acre Parcel within the boundaries one or more projects for construction grant assistance under the Economic Development Act ("EDA"). BUYER agrees to cooperate, and use diligent efforts to cause its tenants to cooperate, in SELLER's efforts, including, but not limited to, executing reasonable documents such as the forms attached hereto as Exhibit "12"; provided, however, that BUYER and its tenants shall not be obligated to incur any significant liability or expense in connection with such cooperation.

24. No Further Amendments. Except to the extent the provisions of the Purchase Agreement are expressly modified by or inconsistent with the terms of this Amendment, the Purchase Agreement shall remain in full force and effect.

25. Counterparts. This Amendment shall be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first written above, and such date shall be considered for all purposes to be the date of this Amendment.

SELLER:

BOEING REALTY CORPORATION, a California corporation (formerly known as McDonnell Douglas Realty Company)

By: _____
Philip W. Cyburt, Vice President

BUYER:

VESTAR DEVELOPMENT CO., an Arizona corporation

By: _____
Lee T. Hanley, President

In addition the reference to "20 days after the Deadline Date" in the second sentence of Section 4.2 is hereby revised to "December 31, 1998."

23. EDA Requirements. SELLER and BUYER acknowledge that SELLER has planned to include all or a portion of the 170-Acre Parcel within the boundaries one or more projects for construction grant assistance under the Economic Development Act ("EDA"). BUYER agrees to cooperate, and use diligent efforts to cause its tenants to cooperate, in SELLER's efforts, including, but not limited to, executing reasonable documents such as the forms attached hereto as Exhibit "12"; provided, however, that BUYER and its tenants shall not be obligated to incur any significant liability or expense in connection with such cooperation.

24. No Further Amendments. Except to the extent the provisions of the Purchase Agreement are expressly modified by or inconsistent with the terms of this Amendment, the Purchase Agreement shall remain in full force and effect.

25. Counterparts. This Amendment shall be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first written above, and such date shall be considered for all purposes to be the date of this Amendment.

SELLER:

BOEING REALTY CORPORATION, a California corporation (formerly known as McDonnell Douglas Realty Company)

By: _____
Thomas J. Motherway, President

BUYER:

VESTAR DEVELOPMENT CO., an Arizona corporation

By: _____
Lee T. Hanley, President

EXHIBIT "1"

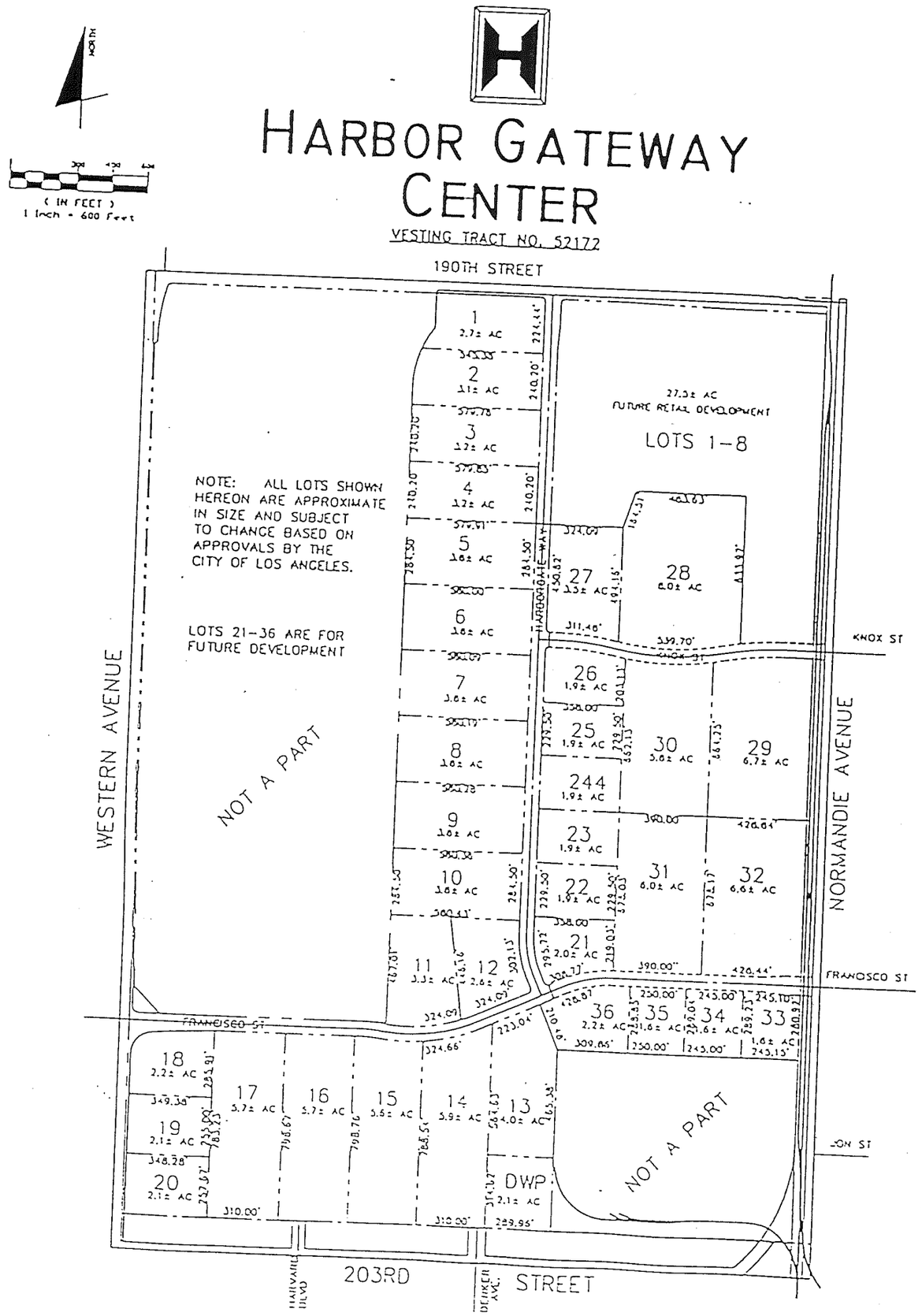
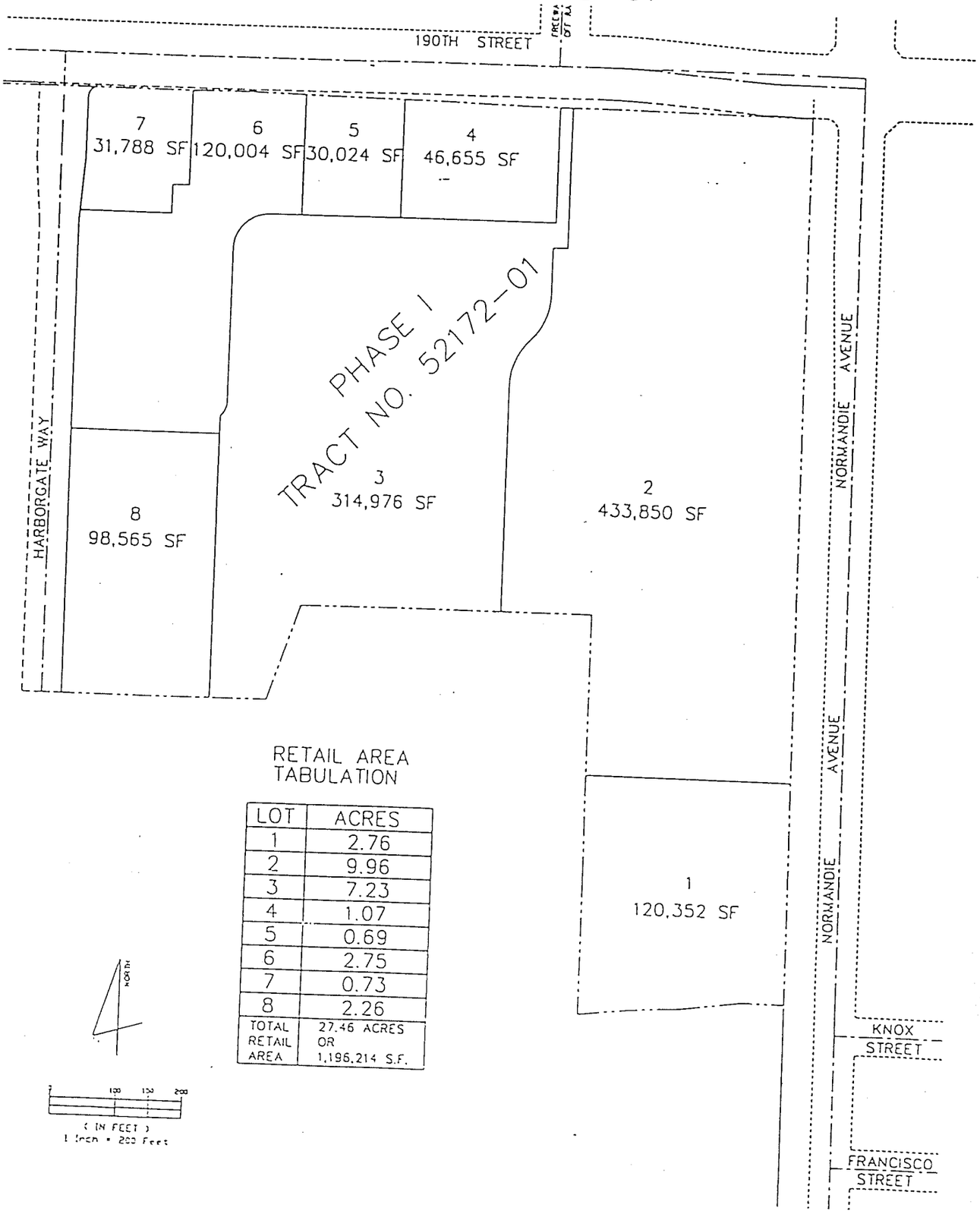

NORTH
(IN FEET)
1 inch = 600 Feet
HARBOR GATEWAY CENTER
VESTING TRACT NO. 52172
190TH STREET
WESTERN AVENUE
NORMANDIE AVENUE
203RD STREET
HARBOR GATE WAY
KNOX ST
FRANOSCO ST
JON ST
NOTE: ALL LOTS SHOWN HEREON ARE APPROXIMATE IN SIZE AND SUBJECT TO CHANGE BASED ON APPROVALS BY THE CITY OF LOS ANGELES.
LOTS 21-36 ARE FOR FUTURE DEVELOPMENT
NOT A PART
27.3± AC
FUTURE RETAIL DEVELOPMENT
LOTS 1-8
1 2.7± AC
2 3.1± AC
3 3.2± AC
4 3.2± AC
5 3.6± AC
6 3.6± AC
7 3.6± AC
8 3.6± AC
9 3.6± AC
10 3.6± AC
11 3.3± AC
12 2.6± AC
13 4.0± AC
14 5.9± AC
15 5.6± AC
16 5.7± AC
17 5.7± AC
18 2.2± AC
19 2.1± AC
20 2.1± AC
21 2.0± AC
22 1.9± AC
23 1.9± AC
244 1.9± AC
25 1.9± AC
26 1.9± AC
27 3.5± AC
28 6.0± AC
29 6.7± AC
30 3.0± AC
31 6.0± AC
32 6.6± AC
33 1.6± AC
34 1.6± AC
35 1.6± AC
36 2.2± AC
DWP 2.1± AC
NOT A PART

EXHIBIT "2"
APPROVED SUB-PARCELIZATION OF PROPERTY

APPROVED SUB-PARCELIZATION OF PROPERTY
TRACT NO. 52172-01



RETAIL AREA TABULATION

LOT	ACRES
1	2.76
2	9.96
3	7.23
4	1.07
5	0.69
6	2.75
7	0.73
8	2.26
TOTAL RETAIL AREA	27.46 ACRES OR 1,196,214 S.F.

EXHIBIT "3"

VESTAR SITE PLAN
TRACT NO. 52172-01

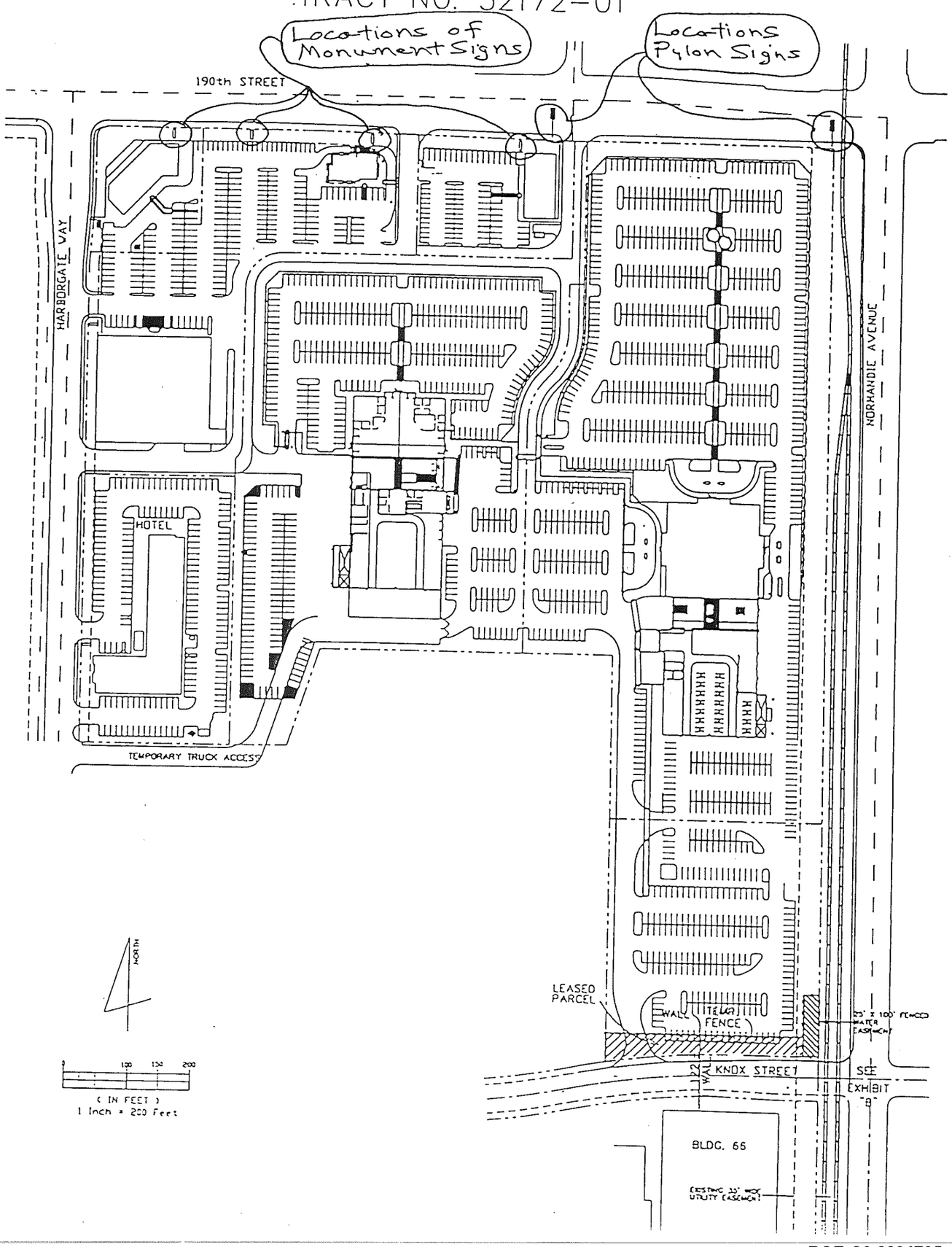


EXHIBIT "4"

ANTICIPATED CONDITIONS

1. Conditions to approval of the Vesting Map set forth in letter from the City to SELLER, dated June 6, 1997.

2. Conditions to approval of Conditional Use set forth in the letter from the City to SELLER, dated June 25, 1997.

3. Any conditions to approval of BUYER's Map Revision that may be imposed by the City or any other governmental or quasi-governmental authority having jurisdiction thereof.

4. Any conditions to approval of the hotel use being processed by BUYER or any other uses requiring discretionary action by the City or any governmental or quasi-governmental agency having jurisdiction thereof.

EXHIBIT "5"

MEMORANDUM OF UNDERSTANDING WITH UNION PACIFIC RAILROAD

[see following pages]

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (the "MOU") is entered into as of June 4, 1997, by and between McDonnell Douglas Realty Company, a California corporation ("MDRC"), and Union Pacific Railroad Company, a Utah corporation ("Union Pacific").

RECITALS

A. MDRC is the owner of approximately 170 acres of real property located in the City of Los Angeles (the "City"), south of 190th Street and between Normandie Avenue and Western Avenue (the "Property"). Union Pacific, through its subsidiary Southern Pacific Transportation Company ("SP"), a Delaware corporation, is the owner of a rail line and right of way known as the Torrance Branch which is located adjacent to the Property.

B. MDRC is in the process of obtaining entitlements from the City to redevelop the Property with retail, industrial and office uses, which redevelopment project is commonly referred to as the "Harbor Gateway Center Project."

C. In connection with the Harbor Gateway Center Project, MDRC, in cooperation with the City, must obtain the approval of the California Public Utilities Commission (the "PUC") (i) to relocate an existing private crossing and to make it available for use by the public as part of a public street, (ii) to provide up to two (2) additional public street crossings of the Union Pacific rail line along the west side of Normandie Avenue adjacent to the Property, and (iii) to provide a new public street crossing of a spur track located on the Property that is connected to the Union Pacific rail line along Normandie Avenue.

D. The parties have agreed to cooperate in seeking the required PUC approvals and in the construction and maintenance of the approved crossings, all as more fully set forth herein.

NOW, THEREFORE, MDRC and Union Pacific agree as follows:

1. Upon the terms and conditions hereinafter set forth, Union Pacific shall cooperate with MDRC and City to obtain PUC approval of the crossings described above in the Recital C.

2. The City shall make application to the PUC for the crossings.

3. City's application to the PUC shall specify that crossing gates and flashers will be installed at each crossing in Recital C, and City and MDRC shall cooperate to obtain PUC approval of such warning devices.

4. City's application to the PUC shall specify that City, through MDRC or its designee, is to be responsible for the entire cost of design and construction of the PUC-approved crossings and all costs of future maintenance of such crossings. Union Pacific or its successors in interest shall not be responsible for the costs of construction or maintenance of the PUC-approved crossings.

5. MDRC shall offer to Union Pacific to provide adequate continuing insurance against liability arising from crossing accidents on the PUC-approved crossings in an amount which is mutually acceptable to Union Pacific and MDRC and which names Union Pacific as an additional insured.

6. Union Pacific shall be responsible for the design of the PUC-approved crossings and, concurrently with the execution hereof, MDRC shall pay to Union Pacific $25,000.00 as a deposit against the costs to be reasonably incurred by Union Pacific in connection with such design work, all of which costs shall be the responsibility of MDRC. Unless some other arrangements are mutually agreed to, upon receipt of invoice, MDRC shall pay to Union Pacific all costs incurred by Union Pacific for labor and materials required to construct the PUC-approved crossings. Material costs shall be payable in advance.

7. This MOU shall be replaced by Union Pacific's standard crossing agreements at an appropriate time in the future following PUC approval of the crossings.

IN WITNESS WHEREOF, MDRC and Union Pacific have entered into this MOU as of the date first above written.

McDONNELL DOUGLAS REALTY COMPANY,

By: _____

UNION PACIFIC RAILROAD

By: _____

Approved as to Form

_____
Assistant General Counsel

LA_DOCS\101844.1

EXHIBIT "6"

ENVIRONMENTAL INDEMNITY AGREEMENT

THIS ENVIRONMENTAL INDEMNITY AGREEMENT (this "Indemnity") is entered as of _____, 199__ (**the "Effective Date"**), by and between _____ _____ ("Owner") and BOEING REALTY CORPORATION, a California corporation ("BRC").

The parties enter into this Indemnity on the basis of the following facts, understandings, and intentions:

A. BRC and Owner are parties to that certain Agreement for Purchase of Sale of Property and Escrow Instructions dated as of _____, 1996 (**the "Purchase Agreement"**), respecting that certain real property consisting of approximately ___ acres of land located in the City of Los Angeles, County of Los Angeles, State of California, located at the northwest corner of Normandie Avenue and 190th Street and defined in the Purchase Agreement as the Property (**the "Property"**). Concurrently with the execution of this Indemnity, Owner is purchasing the Property from BRC pursuant to the Purchase Agreement.

B. As an inducement for Owner to acquire the Property, BRC has agreed to complete certain environmental remediation of the Property before Owner's acquisition of the Property and continuing after such acquisition, all as defined in the Purchase Agreement as the "Remediation."

C. As an additional inducement for Owner to acquire the Property, and in furtherance of the consummation of the acquisition transaction contemplated by the Purchase Agreement, BRC and Owner now desire to enter into this Indemnity.

D. For purposes of this Indemnity, the term "Hazardous Materials" shall mean any substances defined as "hazardous substances," "hazardous materials," "hazardous waste" or "toxic substances" under any local, state or federal law, rule, statute, court decision, regulation or ordinance as in existence on the date of this Indemnity, as such definitions may be supplemented or modified from time to time by any additional, successor or modified law, rule, statute, court decision, regulation or ordinance effective from time to time up to the date ten (10) years after the date of this Indemnity, including, but not limited to, any flammable material, explosives, radioactive materials, hazardous wastes, oil, gas, petroleum or other hydrocarbons (including petroleum and hydrocarbon by-products) and any other materials, gases or substances that are, from time to time up to the date ten (10) years after the date of this Indemnity, known or suspected to be toxic or hazardous, or known or suspected of causing material detriment or materially impairing the beneficial use of real property or known or suspected to constitute a material health, safety or environmental risk to real property or occupants of real property, but, however, specifically excluding radon gas.

E. For purposes of this Indemnity, the term "Hazardous Discharge" shall mean an emission, spill, release or discharge (as those terms are construed by applicable court decisions) of any Hazardous Materials in, at, on or under the Property into or upon (i) the air, (ii) soils or any improvements located thereon, (iii) surface water or ground water, (iv) the sewer, septic system or waste treatment, storage or disposal system servicing the Property or (v) other property in the vicinity of the Property; provided, however, that "Hazardous Discharge" shall not include any migration of Hazardous Materials from the Property into or upon neighboring property consisting of migration of Hazardous Materials through the Property from other property (other than another portion of the 170-Acre Parcel as defined in the Purchase Agreement) without the contribution or fault on the part of any owner or occupant of, or person present on, the Property.

F. For purposes of this Indemnity, the term "Environmental Complaint" shall mean (i) any complaint, order, directive, claim, citation, notice or formal written request in lieu or contemplation of any of the foregoing by any governmental authority, including, without

limitation, any and all enforcement, cleanup, removal or other governmental or regulatory action instituted, completed or threatened that affects the Property resulting from or relating to any Hazardous Discharge, the presence of any Hazardous Materials, or the violation of any Environmental Law (as defined below) whether such complaint is meritorious or not, or (ii) any and all claims made or threatened by any third party relating to damage, contribution, cost, recovery, compensation, loss or injury resulting from or relating to any Hazardous Discharge, the presence of any Hazardous Materials, or the violation of any Environmental Law (as defined below) (whether such claim is meritorious or not).

G. For purposes of this Indemnity, the term "Environmental Laws" shall mean all applicable federal, state and local laws, rules, statutes, court decisions, ordinances, regulations, orders and directives of every kind and nature (including remediation standards) whatsoever pertaining to Hazardous Materials as in existence and interpreted on the date of this Indemnity, as such may be supplemented or modified from time to time by any additional, successor or modified law, ordinance, regulation, order, directive or standard effective within ten (10) years after the date of this Indemnity.

H. For purposes of this Indemnity, the term "Indemnity Period" shall mean that period prior to the Closing Date, as defined in the Purchase Agreement.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants and promises of the parties contained herein and in the Purchase Agreement and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, BRC and Owner hereby agree as follows:

1. Indemnity. Subject to the other provisions of this Agreement, BRC hereby forever irrevocably and unconditionally, indemnifies, protects, holds harmless and shall defend (by counsel selected by BRC and satisfactory to Owner in its reasonable discretion) (a) Owner, (b) any entity controlling, controlled by or under common control with Owner (an "**Affiliate**"), (c) any entity in which Owner or an Affiliate is a general partner or managing member, (d) any Affiliate, trustee, receiver or partner of any of the foregoing, (e) any lender, mortgagee, beneficiary, purchaser/landlord under a sale-leaseback financing or other creditor of any of the foregoing in circumstances in which the Property serves as security for the loan, debt or obligation and any grantee or purchaser at a foreclosure or trustee's sale or deed in lieu of foreclosure of such security, (f) the first (1st) and second (2nd) person or entity, other than the foregoing persons or entities, that succeeds to title to the Property from any person or entity set forth in (a), (b), (c) and (d) above (but not subsequent successors), and (g) any tenant or lessee of any person or entity set forth in (a) through (f) above; provided, however, that a person or entity who has become an Indemnified Party pursuant to this clause (g) shall remain an Indemnified Party, even if the Property is sold to an entity that succeeds to title to the Property, subsequent to the second transferee referenced in clause (f) above, (h) each of the respective shareholders, partners, directors, officers, employees, agents and representatives of the persons and entities set forth in (a), (b), (c), (d), (e), (f) and (g) above (collectively, the "**Indemnified Parties**") for, from and against (except in each case to the extent caused by the negligence or other wrongful conduct of an Indemnified Party or of an Additional Indemnified Party, as defined below, or their respective tenants, licensees and invitees; provided, however, that an Indemnified Party or Additional Indemnified Party shall not be considered to have committed negligence or other wrongful conduct due to its failure to discover, have knowledge of or remediate an environmental condition otherwise within the scope of BRC's indemnity under this Agreement) any and all actions, claims, including claims for personal injury and bodily damage, causes of action, losses, damages liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of every kind, and all costs and expenses actually and reasonably incurred in connection therewith (including, without limitation, attorneys' fees, court costs and expenses actually and reasonably incurred, including on appeal), provided that in any event consequential damages hereunder shall be limited to lost rental income to a fee owner but not any sublessor (collectively, "**Claims**"), arising out of (i) any failure by BRC or its parent corporation, affiliates, agents, servants, contractors or employees to comply with any Environmental Laws relating in any way whatsoever to the handling, treatment, presence, removal, storage, remediation, decontamination, cleanup, transportation or disposal of any Hazardous Materials present during the Indemnity Period (ii) subject to the provisions of Section 6 below, the presence of Hazardous

Materials in, at, on or under the Property during the Indemnity Period or caused to be present in, at, on or under the Property subsequent to the Indemnity Period by any use or operation of the Property during the Indemnity Period, except in each case to the extent that the presence of Hazardous Materials, Hazardous Discharges, violation of Environmental Laws and Environmental Complaints are due to actions (other than actions of BRC or its parent corporation, affiliates, agents, contractors or employees) occurring after the Indemnity period, (iii) any existing, pending, threatened or future Environmental Complaint affecting the Property respecting any condition or state of facts concerning the Property that existed during the Indemnity Period or is caused to exist subsequent to the Indemnity Period by any use or operation of the Property during the Indemnity Period (and specifically including any Claim arising out of the existing lawsuit captioned Aguirre v. Cadillac Fairview/California, Inc., Los Angeles Superior Court Case No. NC 017753), (iv) any Event of Default (as defined below) by BRC under this Indemnity, (v) any act or omission of BRC or its agents, representatives, contractors or subcontractors in connection with any of their activities or entries upon the Property in connection with this Indemnity or the Purchase Agreement and (vi) subject to the provisions of Section 6 below, any default by BRC under its obligations with respect to the "Excluded Portion" of the Remediation (as defined in Section 1.6(b) of the Purchase Agreement) or any failure of BRC to complete in accordance with the Purchase Agreement the portion of the Remediation required under the Purchase Agreement to be completed prior to Owner's acquisition of the Property and as to which failure Owner has the right to enforce BRC's performance under the provisions of the Purchase Agreement (*i.e.*, failures that were not discovered and were not reasonably discoverable by Buyer prior to Buyer's acquisition of the Property); provided, however, that clauses (i), (ii), (iii), (iv) and (vi) above shall not require BRC to indemnify, defend or hold harmless any Indemnified Party (or any Additional Indemnified Party as defined below), or otherwise be responsible or liable for, any Claim to the extent attributable to the future use or contemplated or attempted use of the Property for the purposes of any residence, hospital, health care facility, school or other use as to which heightened or special requirements or standards may apply under Environmental Laws or otherwise pertaining to Hazardous Materials or Hazardous Discharges (a "Heightened Use") (the parties specifically acknowledge that a use which may not constitute a Heightened Use as of the date of this Agreement may become a Heightened Use in the future due to changes in Environmental Laws or other circumstances in which events such use shall be considered a Heightened Use for all purposes under this Agreement), but which heightened or special requirements or standards would not apply were the property used solely for ordinary commercial and/or retail uses or other uses ordinarily located in shopping centers, including, but not limited to, uses such as restaurants, theaters and other entertainment facilities and stores engaged in the sale of consumer goods and related services ("Anticipated Commercial Uses"). Notwithstanding the foregoing, in the event the Property is used for a Heightened Use, BRC nevertheless shall be required under clauses (i), (ii), (iii), (iv) and (vi) above to indemnify, defend and hold harmless any Indemnified Party or any Additional Indemnified Party and otherwise be responsible and liable for that portion of a Claim which would have arisen in the event that the Property had been used solely for Anticipated Commercial Uses (although the Property was in fact used for a Heightened Use), but BRC shall not be required under clauses (i), (ii), (iii), (iv), and (vi) above to indemnify and hold harmless any Indemnified Party or any Additional Indemnified Party for that portion of such Claim, if any, which is attributable to the Heightened Use of the Property. (Assume, for illustration purposes only, that if the Property is used for an Anticipated Commercial Use, the Governmental Agency with jurisdiction will require a cleanup standard of 100 parts per million ("ppm") to be achieved but if the Property is used for a Heightened Use, the Governmental Agency with jurisdiction will require a cleanup standard of 50 ppm to be achieved. In that scenario, BRC would be obligated to clean up the Property to the 100 ppm standard, regardless of whether the Property were being used for an Anticipated Commercial Use or a Heightened Use.) The foregoing provisions of this Section 1 also shall run to the benefit of, and may be enforced by, any other person or entity that succeeds to title or lawful possession, either directly or indirectly through intervening owners, from an Indemnified Party to the Property within twelve (12) years after the Closing Date (each an "**Additional Indemnified Party**"), but only as to matters otherwise covered by the foregoing provisions of this Section 1 that are discovered by an Indemnified Party or Additional Indemnified Party and communicated to BRC in writing in reasonable detail within twelve (12) years after the Closing Date. BRC and Owner acknowledge that the Property has been or may be divided into a number of separate legal parcels and that clause (f) above pertaining to Owner's successors in interest shall apply on a parcel-by-parcel basis (*i.e.*, the transfer of one

such parcel shall constitute a transfer to a successor within the meaning of clause (f) above only as to the transferred parcel). In addition, the transfer of the Property or any parcel thereof by an Indemnified Party to any entity controlling, controlled by or under common control with such Indemnified Party, or to any partnership or other entity in which such Indemnified Party is a general partner or managing member, shall not be considered to be a transfer or succession for the purposes of establishing the first or second successor in interest to Owner under clause (f) above (*e.g.*, if such transferor Indemnified Party were the first successor in interest to Owner under clause (f), then such affiliated transferee also shall be considered to be the first successor to Owner).

2. Limitations on Indemnity. BRC shall not be liable to any Indemnified Party or Additional Indemnified Party for any Claims arising out of any single Hazardous Discharge or group of related Hazardous Discharges or presence of Hazardous Materials, violation of Environmental Laws or Environmental Complaints pertaining to such single Hazardous Discharge or group of Hazardous Discharges, except to the extent that such Claims exceed the sum of $25,000.

3. No Limitation From Knowledge. BRC hereby acknowledges and agrees that BRC's duties, obligations and liabilities under this Indemnity are in no way limited or otherwise affected by any information any Indemnified Party or Additional Indemnified Party may have (or studies it has done) concerning the Property and/or the presence in, at, on or under the Property of any Hazardous Materials.

4. Payment; Interest. All payment obligations of BRC to Indemnified Parties hereunder shall be payable immediately upon demand and shall bear interest following demand at a rate that is the lesser of ten percent (10%) or the highest rate permitted under law. If, upon final judicial determination of the payment dispute by a court of competent jurisdiction, it is determined that the payment made by BRC was not owing under this Indemnity, the Indemnified Party who received such payment shall promptly reimburse BRC for the payment made by BRC with interest thereon accruing from the date the payment was delivered to such Indemnified Party at a rate that is the lesser of ten percent (10%) or the highest rate permitted under law.

5. Survival. BRC hereby acknowledges and agrees that, notwithstanding any other provision of this Indemnity or any provision contained in the Purchase Agreement to the contrary, the obligations of BRC under this Indemnity shall survive the recordation of the Grant Deed, as defined in the Purchase Agreement, without limitation, and shall run to the benefit of the Indemnified Parties and the Additional Indemnified Parties as set forth above in this Indemnity, respectively; provided, however, that, in no event shall any indemnity or hold harmless agreement or other agreement or covenant made by any Indemnified Party for the benefit of any other party (other than another Indemnified Party), or by any Additional Indemnified Party (other than another Additional Indemnified Party), provide or constitute a basis for recovery by any Indemnified Party or Additional Indemnified Party or any other party against BRC pursuant to this Indemnity (i.e., although BRC shall remain liable to each of the Indemnified Parties and each of the Additional Indemnified Parties, respectively, for any liability they may incur under law as set forth above in this Indemnity and for all matters otherwise covered by this Indemnity, neither any Indemnified Party nor any Additional Indemnified Party shall be entitled to effectively pass through by contract the benefits of this Indemnity to parties other than the Indemnified Parties or Additional Indemnified Parties, respectively).

6. Independent Obligations; Limitations. BRC's obligations hereunder are independent of the obligations of BRC under the Purchase Agreement and any other document, contract and agreement entered by the parties in connection with the Purchase Agreement or the transactions contemplated therein, and also independent of any obligations of any other indemnitor, insurer or other person or entity, and Owner and any other Indemnified Party or Additional Indemnified Party may enforce any of its rights hereunder independently of any other right or remedy that such party may at any time hold. Nothing in this Indemnity shall limit or affect any right or remedy that Owner or any other Indemnified Party or Additional Indemnified Party may otherwise hold at any time, except that Owner and, by accepting any benefit of this Indemnity or any interest in the Property, each other Indemnified Party and each Additional Indemnified Party hereby agrees that, provided BRC fulfills its obligations pursuant to the Purchase Agreement with respect to the Remediation and otherwise fulfills all of its obligations

under this Indemnity other than those under clause (ii) of Section 1 above (and without waiving or modifying the other clauses of Section 1), neither BRC, McDonnell Douglas Corporation ("**MDC**"), any entity controlling, controlled by or under common control with BRC or MDC, nor any of the respective shareholders, partners, directors, officers, employees, agents or representatives of the foregoing **(collectively, the "MDC Parties")**, shall have any liability under clause (ii) of Section 1 above (including by way of MDC's guaranty of this Indemnity) or otherwise under any applicable law or right or theory of recovery, and Owner and, by accepting any benefit of this Indemnity or any interest in the Property, each other Indemnified Party and each Additional Indemnified Party agrees to refrain from asserting any claim against the MDC Parties for, any loss or damage (including, but not limited to, lost profits or diminution in value of the Property) due to the presence of Hazardous Materials or the occurrence of Hazardous Discharges in, at, under or in the vicinity of the Property, or the effect thereof on the Property or its desirability or marketability **(the "Prohibited Claims")**. Owner and, by accepting any benefit of this Indemnity or any interest in the Property, each other Indemnified Party and each Additional Indemnified Party hereby waives, releases, acquits and forever discharges the MDC Parties, to the maximum extent permitted by law, of and from the Prohibited Claims. With respect to such release, Owner and, by accepting any benefit of this Indemnity or any interest in the Property, each other Indemnified Party and each Additional Indemnified Party expressly waives any statutory right granted to such party at any time (including, but not limited to, those pursuant to any law pertaining to Hazardous Materials or the law of torts or nuisance) pertaining to the Prohibited Claims, as each such right may be amended, supplemented, modified or replaced from time to time, and Owner expressly waives all of its rights granted under Section 1542 of the California Civil Code with respect to the Prohibited Claims (to the extent Section 1542 may apply to such release) which reads as set forth below in Section 7.

7. Release. BRC and each and all of its successors and assigns hereby waive, release, acquit and forever discharge each of the Indemnified Parties to the maximum extent permitted by law, of and from any and all claims, actions, causes of action, demands, rights, damages, costs, expenses, and compensation whatsoever, direct or indirect, known or unknown, foreseen or unforeseen, as now exist or may arise in the future (in each case except to the extent caused by the negligence or other wrongful conduct of an Indemnified Party or and Additional Indemnified Party, or their respective tenants, licensees and invitees; provided, however that an Indemnified Party or Additional Indemnified Party shall not be considered to have committed negligence or other wrongful conduct due to its failure to discover, have knowledge of or remediate an environmental condition otherwise within the scope of BRC's indemnity under this Agreement) as a result of any matter for which BRC has indemnified the Indemnified Parties pursuant to the foregoing provisions of this Indemnity. BRC and each and all of its successors and assigns hereby waive, release, acquit and forever discharge each of the Additional Indemnified Parties to the maximum extent permitted by law, of and from any and all claims, actions, causes of action, demands, rights, damages, costs, expenses, and compensation whatsoever, direct or indirect, known or unknown, foreseen or unforeseen, as now exist or may arise in the future (in each case except to the extent caused by the negligence or other wrongful conduct of an Indemnified Party or an Additional Indemnified Party) as a result of any matter for which BRC has indemnified the Additional Indemnified Parties pursuant to the foregoing provisions of this Indemnity. With respect to the release contained in this Section 7, BRC expressly waives any statutory right granted to BRC pursuant to any Environmental Law or the law of torts, as each may be amended, supplemented, modified and replaced from time to time, and BRC expressly waives all of its rights granted under Section 1542 of the California Civil Code (to the extent Section 1542 may apply to the releases set forth in this Section 7) which reads as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

8. Defaults and Cure.

(a) Breaches by BRC. The following shall constitute breaches by BRC under this Indemnity:

(i) BRC's breach of any provision of this Indemnity; and

(ii) BRC's failure to comply with any valid and enforceable order or directive from any governmental agency having jurisdiction over the Property concerning Hazardous Materials, Hazardous Discharges, violations of Environmental Laws or Environmental Complaints, which failure results in the enforcement thereof against the Property or any Indemnified Party or Additional Indemnified Party, that are within BRC's indemnities set forth in Section 1 of this Indemnity.

(b) Cure Rights. In the event of a breach of this Indemnity by BRC, BRC may cure such breach within a reasonable time (not to exceed 30 days) after written notice from an Indemnified Party or Additional Indemnified Party to BRC specifying the breach with reasonable detail; provided, however, that if the nature of BRC's obligation is such that more than 30 days are required for cure of such breach (but this shall not apply to any failure to pay a monetary sum), BRC shall not be in default if it commences such steps as are reasonable under the circumstances toward performance of such cure within such 30-day period and thereafter diligently prosecutes the cure to completion. In the event a breach by BRC is not cured as specified in the immediately preceding sentence, such breach shall be considered to be an "Event of Default" under this Indemnity. The provisions of this paragraph are subject to the provisions of Section 8(d).

(c) Cure on BRC's Behalf. Subject to the provisions of Section 8(d), in the event of an Event of Default by BRC under this Indemnity, an owner of the affected portion of the Property (or such owner's tenant, lender or other party having an interest in such portion of the Property to whom such owner has exclusively assigned its rights under this paragraph) shall have the right to take such actions as such party believes in good faith to be reasonably necessary and appropriate toward curing such Event of Default and shall have the right to charge the reasonable costs thereof to BRC, provided such party has given BRC at least fifteen (15) days' written notice expressing its intention to invoke the provisions of this sentence. BRC shall pay all such reasonable costs incurred by such party upon such party's demand and presentation of invoices supported by reasonable evidence as to their propriety. All amounts not so paid by BRC within fifteen (15) days of such demand and presentation shall bear interest at the rate of ten percent (10%) per annum from the date of such demand and presentation through the date of payment. Notwithstanding the foregoing, each Indemnified Party and Additional Indemnified Party shall be excused from compliance with the provisions of this Section 8 to the full extent that directives or orders of governmental agencies or their representatives, or to the extent that other emergencies, reasonably require such Indemnified Party or Additional Indemnified Party to take actions without allowing periods of notice or cure to run pursuant to this Section 8; provided, however, that such Indemnified Party or Additional Indemnified Party shall use reasonable efforts in such circumstances to give notice of the need for immediate action to BRC and may take such reasonably necessary and appropriate action only in the event BRC does not respond appropriately to the emergency.

(d) Conflicting Demands. Owner and BRC acknowledge that it is possible that BRC will receive conflicting demands or other communications from the various Indemnified Parties and Additional Indemnified Parties in connection with this Agreement. Notwithstanding any other provision of this Agreement, in the event that BRC receives a demand or other communication from an Indemnified Party or Additional Indemnified Party respecting any action to be taken or not taken in connection with this Indemnity which demand or communication conflicts with a demand or communication received from another Indemnified Party or Additional Indemnified Party, BRC shall give reasonable notice of the conflict between such demands or communications to each of the parties to the conflicting demands or communications. If one of the parties sending the conflicting demand or communication is then an owner of the affected portion of the Property (or such owner's tenant, lender or other party having an interest in such portion of the Property to whom such owner has exclusively assigned its rights under this paragraph) and each of the other parties sending the conflicting demands or communications is not a fee owner of the affected portion of the Property (or a fee owner's tenant, lender or other party having an interest in such portion of the Property to whom such a fee owner has exclusively assigned its rights under this paragraph), then BRC shall have the right to consider the communication from such fee owner (or such interest holder to whom such owner has exclusively assigned its rights) to be the demand or communication given pursuant

to this Indemnity, while ignoring the other conflicting demands or communications from the other Indemnified Parties or Additional Indemnified Parties. In the event that conflicting demands or communications are received from any Indemnified Parties or Additional Indemnified Parties each of whom is a fee owner of the affected portion of the Property (or to such owner's tenant, lender or other party having an interest in such portion of the Property to whom such owner has exclusively assigned its rights under this paragraph), BRC shall be afforded reasonable opportunity to cause the makers of the conflicting demands or communications to communicate with each other in an effort to concur with such demand or communication. In the event the conflict cannot be resolved within a reasonable period of time, BRC shall have the right to elect either to (i) require the parties making the conflicting demands or communications to resolve their conflict in accordance with dispute resolution provisions set forth in Section 21 of this Agreement (in which event the issue to be resolved in such proceeding, as it pertains to BRC, shall be limited to selection of which the conflicting demands or communications is the most reasonable), or (ii) consider the communication from either party making the conflicting demands or communications to be the demand or communication given pursuant to this Indemnity, while ignoring the other conflicting demands or communications, provided that the demand or communication selected by BRC is a reasonable demand or communication. In the event BRC relies upon a decision rendered in a proceeding under Section 21 or, alternatively, upon a reasonable conflicting demand or communication as permitted pursuant to this paragraph (*i.e.*, in the event that BRC does not elect to cause the parties to resolve their dispute under the provisions of Section 21), the maker of each nonprevailing conflicting demand (*i.e.*, the nonprevailing party(ies) in a proceeding under Section 21 or each party whose demand has not been selected by BRC in the event the dispute is not resolved under the provisions of Section 21) shall be prohibited from exercising its rights pursuant to Section 8(c) or otherwise claiming a default for BRC's failure to follow such conflicting demand to the full extent of such conflict, without, however, limiting such party's (or any other party's) other rights under this Agreement as an Indemnified Party or Additional Indemnified Party.

9. Cumulative Remedies; No Waiver. The rights, powers and remedies of Owner hereunder are cumulative and not exclusive of any other right, power or remedy that Owner may otherwise have, subject to the provisions of Section 6 above. No failure or delay on the part of Owner in exercising any right, power or remedy may be, or may be deemed to be, a waiver thereof; nor may any single or partial exercise of any right, power or remedy preclude the further exercise thereof, or the exercise of any other right, power or remedy.

10. Attorney's Fees. In any action arising out of this Indemnity by Owner or BRC, the losing or defaulting party shall pay to the prevailing party attorneys' fees, costs and expenses actually and reasonably incurred in prosecuting such action.

11. Notices. All notices, demands and other communications required or permitted to be given or served under this Indemnity shall be in writing and shall be delivered to the appropriate party at its address as follows:

If to BRC:

BOEING REALTY CORPORATION
4060 Lakewood Blvd., 6th Floor
Long Beach, CA 90808-1700
Attn: Mr. Thomas J. Motherway

With a copy to:

Hewitt & McGuire
19900 MacArthur Boulevard, Suite 1050
Irvine, California 92612
Attn: Jay F. Palchikoff

If to Owner:

VESTAR DEVELOPMENT CO.
2425 East Camelback Road, Suite 750
Phoenix, Arizona 85016
Attn: President

With a copy to:

VESTAR DEVELOPMENT CO.
2425 East Camelback Road, Suite 750
Phoenix, Arizona 85016
Attn: Richard J. Kuhle

Addresses for notice may be changed from time to time by written notice to all other parties. All communications shall be effective when actually received; provided, however, that nonreceipt of any communication as the result of a change of address of which the sending party was not notified or as a result of a refusal to accept delivery shall be deemed receipt of such communication. In addition to the notices required above in this Section, if an Indemnified Party or Additional Indemnified Party who is an owner or lessee of a 20,000 square foot or greater portion of the Property requests copies of notices, demands or other communications given pursuant to this Section, then the parties shall give copies of such notices, demands and other communications to the requesting party in instances in which such notices, demands or other communications directly concern or impact the portion of the Property owned or leased by such requesting party. Such Indemnified Party or Additional Indemnified Party requesting party shall make its request to receive such notices, demands and other communications by written notice delivered to BRC and Owner pursuant to the preceding provisions of this Section.

12. Binding Agreement; Assignment; Amendment. This Indemnity and the terms, covenants and conditions hereof shall be binding upon and inure to the benefit of BRC and the Indemnified Parties (and Additional Indemnified Parties, but only to the extent of BRC's obligations to Additional Indemnified Parties as set forth in this Indemnity), and no person or entity shall be permitted to transfer, convey or assign this Indemnity or any right or obligation hereunder (and any attempt to do so shall be void) except to an Indemnified Party (or to an Additional Indemnified Party, but only to the extent of BRC's obligations to Additional Indemnified Parties as set forth in this Indemnity). No amendment of this Agreement shall be binding against an Indemnified Party or Additional Indemnified Party who has acquired rights under this Agreement at the time of such amendment, except to the extent such Indemnified Party or Additional Indemnified Party has approved such amendment.

13. Interpretation. Whenever the context requires, all terms used herein in the singular shall be construed in the plural and vice versa, and each gender shall include each other gender. Section headings in this Indemnity are included for convenience of reference only and are not a part of this Indemnity for any other purpose. Capitalized terms not defined herein shall have the same meaning ascribed to such terms in the Purchase Agreement.

14. Governing Law. This Indemnity shall be governed by and construed in accordance with the laws of the State of California.

15. Third Party Beneficiary. This Indemnity and every provision hereof is for the exclusive benefit of the parties to this Indemnity and the Indemnified Parties (and the Additional Indemnified Parties, but only to the extent of BRC's obligations to Additional Indemnified Parties as set forth in this Indemnity) and not for the benefit of any other party. Specifically, this Indemnity shall not run with the Property, but shall run to the benefit of the Indemnified Parties (and the Additional Indemnified Parties, but only to the extent of BRC's obligations to Additional Indemnified Parties as set forth in this Indemnity).

16. Counterparts. This Indemnity may be signed in counterparts each of which shall constitute an original, but all of which together shall constitute one and the same instrument.

17. No Party Deemed Drafter. Each party participated in the preparation of this Indemnity personally and with the benefit of counsel. If this Indemnity is ever construed by a court of law or equity, such court shall not construe this Indemnity, or any provision hereof, more harshly against any party as drafter.

18. Incorporation By Reference. Each and all of the recitals herein contained are hereby incorporated herein by this reference as if set forth in full in the body of this Indemnity.

19. Entire Agreement. This Indemnity and the Purchase Agreement constitute all of the agreements between the parties respecting the specific matters addressed herein and supersede all other prior or concurrent oral or written letters, agreements or understandings, without limitation.

20. Partial Invalidity. If any provision of this Indemnity shall be determined to be unenforceable in any circumstances by any court of competent jurisdiction, then the balance of this Indemnity shall be enforceable nonetheless, and the subject provision shall be enforceable in all other circumstances.

21. Enforcement; Disputes.

(a) Attorneys' Fees. In the event of any action or proceeding instituted between BRC and any Indemnified Party or Additional Indemnified Party or a dispute between or among Indemnified Parties or Additional Indemnified Parties in the event BRC elects to employ the provisions of this Section as permitted of BRC in Section 8(d) in connection with this Agreement, then the prevailing party shall be entitled to recover from the losing party all of its costs and expenses, including, without limitation, court costs, costs of appeals, attorneys' fees and disbursements actually and reasonably incurred.

(b) Resolution of Disputes. BRC and Owner have agreed on the following mechanisms in order to obtain prompt and expeditious resolution of all controversies, claims or disputes arising out of or in connection with the performance or non-performance of any terms of this Agreement and on the equitable and fair allocation as to the parties' obligations hereunder. By accepting any benefit of this Indemnity or any interest in the Property, each Indemnified Party and Additional Indemnified Party also accepts and agrees to be bound by the provisions of this Section 21 as if such party were the Owner.

(i) Reference of Dispute. Any dispute seeking damages, interpretation of this Agreement and any dispute seeking equitable relief, such as but not limited to specific enforcement of any provision hereof, shall be heard and determined by a referee pursuant to California Code of Civil Procedure Section 638, subdivision 1. The venue of any proceeding hereunder shall be in Orange County, unless changed by order of the referee.

(A) Procedure for Appointment. The party seeking to resolve the dispute shall file in court and serve on the other party a complaint describing the matters in dispute. Service of the complaint shall be as prescribed by California law. At any time after service of the complaint, any party may request the designation of a referee to try the dispute. Thereafter BRC and the Indemnified Party or Additional Indemnified Party involved in the dispute shall use their best efforts to agree upon the selection of a referee from among the available referees at Judicial Arbitration and Mediation Service ("JAMS"). If BRC and the Indemnified Party or Additional Indemnified Party are unable to agree upon a referee within ten days after a written request to do so by any party, then either may petition the judge of the Superior Court to whom the case is then assigned to appoint a referee from JAMS. For the guidance of the judge making the appointment of said referee, the parties agree that the person so appointed shall be a retired judge from JAMS experienced in the subject matter of the dispute.

(B) Standards for Decision. To the extent consistent with the terms of this Agreement, the provisions of California Code of Civil Procedure, Sections 642, 643, 644 and 645 shall be applicable to dispute resolution by a referee hereunder. In an effort to clarify and amplify the provisions of California Code of Civil Procedure, Sections 644 and 645, the parties agree that the referee shall decide issues of fact and law submitted by the parties for decision in the same manner as required for a trial by court as set forth in California Code of Civil Procedure, Sections 631.8 and 632, and California Rules of Court, Rule 232. The referee shall try and shall decide the

dispute according to all of the substantive and procedural law of the State of California, unless BRC and the Indemnified Party or Additional Indemnified Party involved in the dispute stipulate to the contrary. When the referee has decided the dispute, the referee shall also cause the preparation of a judgment based on said decision. The judgment to be entered by the Superior Court of Orange County, California will be based upon the decision of the referee. The referee's decision shall be appealable in the same manner as if the judge signing the judgment had tried the case.

(ii) Cooperation. All parties to the dispute shall diligently cooperate with one another and the person appointed to resolve the dispute, and shall perform such acts as may be necessary to obtain a prompt and expeditious resolution of the dispute. If any party refuses to diligently cooperate, any other party, after first giving notice of its intent to rely on the provisions of this paragraph, incurs additional expenses or attorneys' fees solely as a result of such failure to diligently cooperate, the referee may award such additional expenses and attorneys' fees to the party giving such notice, even if such party is not the prevailing party in the dispute.

(iii) Allocation of Costs. The cost of the proceeding shall initially be borne equally by the parties to the dispute, but, subject to Section 21(b)(ii) hereof, the prevailing party(ies) in such proceeding shall be entitled to recover, in addition to reasonable attorneys' fees and all other costs, its contribution for the reasonable cost of the referee as an item of recoverable costs. The referee shall include such costs in his judgment or award.

(iv) Multiple Indemnified Parties. In the event any dispute involves more than one Indemnified Party or Additional Indemnified Party, then, as to decisions and stipulations to be made pursuant to the provisions of this Section 21, BRC shall have the right to consider the decisions and stipulations as communicated by Owner (or, if Owner no longer owns a fee interest in any portion of the Property, then the Indemnified Party or Additional Indemnified Party who is then the fee owner owning the largest portion of the Property by gross acreage) to be the decisions and stipulations to be made pursuant to this Section 21 (including, but not limited to, selection of referees under Paragraph A above), and BRC shall have the right to ignore all others.

22. Time of Essence. Time is of the essence of every provision of this Indemnity.

23. Estoppel and Recognition Certificates. BRC, concurrently with the execution and delivery of this Agreement (provided Owner has given BRC at least 20 days' prior written notice) and thereafter upon twenty (20) days' notice from Owner or another Indemnified Party or Additional Indemnified Party, shall provide such party with an estoppel certificate confirming (i) the effectiveness of this Indemnity and (ii) the recognition of a prospective

purchaser, lessee, lender or other party as an Indemnified Party or Additional Indemnified Party (where such recognition is accurately the case).

IN WITNESS WHEREOF, the parties hereto have executed this Indemnity as of the day and year first above written.

"Owner"

VESTAR DEVELOPMENT CO., an Arizona corporation

By: _____

"BRC"

BOEING REALTY CORPORATION, a California corporation

By: _____

EXHIBIT "7"

FORM OF GUARANTY

THIS GUARANTY ("Guaranty") is executed as of _____, 199_, by MCDONNELL DOUGLAS CORPORATION, a Maryland corporation ("Guarantor"), for the benefit of _____, a _____ ("Buyer") with reference to the following facts:

RECITALS

A. Concurrently herewith, Buyer is purchasing approximately 27.5 acres of real property located in Torrance, California from Guarantor's wholly-owned subsidiary, BOEING REALTY CORPORATION, a California corporation ("Seller"), and, in connection therewith, Seller and Buyer have entered into that certain Environmental Indemnity Agreement dated _____, 199__ (the "Environmental Indemnity"). Unless otherwise defined herein, all capitalized terms used in this Guaranty shall have the same meanings as set forth in the Environmental Indemnity.

B. In connection with the foregoing, Guarantor has agreed to guaranty all of the obligations of Seller under the Environmental Indemnity; and

NOW, THEREFORE, for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Guarantor hereby agrees as follows:

1. Guarantor hereby irrevocably and unconditionally guarantees to Buyer and to all other Indemnified Parties and all Additional Indemnified Parties, without deduction by reason of set off, defense or counterclaim, the full and punctual payment, and the performance and observance by Seller of all the sums, terms, covenants, conditions, representations, warranties and indemnities in the Environmental Indemnity to be paid, kept, performed or observed by Seller. If Seller shall at any time default in the performance or observance of any of the terms, covenants, conditions, representations, warranties, or indemnities under the Environmental Indemnity to be kept, performed or observed by Seller, Guarantor, upon notice from an affected Indemnified Party or Additional Indemnified Party (but the delay or failure of Buyer to notify Guarantor of such default shall not serve to relieve Guarantor of any of its obligations hereunder), will keep, perform and observe same, as the case may be, in the place and stead of Seller. This Guaranty is an irrevocable, absolute, continuing guaranty of payment and performance and is not a guaranty of collection. This Guaranty may not be revoked by Guarantor and shall continue to be effective with respect to any guaranteed obligations arising or created after any attempted revocation by Guarantor. Guarantor acknowledges that Guarantor has been provided a copy of the Environmental Indemnity and has read and understands all of the provisions of the Environmental Indemnity. Guarantor acknowledges further that the Environmental Indemnity is a material component of the sale transaction between Seller and Buyer and that Guarantor will derive benefits from the consummation of such sale transaction as the owner of Seller.

2. Notwithstanding any other provision of this Guaranty, Guarantor's obligations under this Guaranty shall be effective only during such periods, if any, that the total net equity of Seller, as determined in accordance with generally accepted accounting principles, consistently applied, is less than $20,000,000; provided, however, that once a proceeding is initiated under this Guaranty during the period when Seller's net equity is less than $20,000,000, this Guaranty will remain effective irrespective of any subsequent change in the net equity of Seller.

3. This Guaranty shall apply to any extension or renewal of the Environmental Indemnity.

4. The obligations of Guarantor hereunder shall not be released by any modification, extension, renewal or other amendment of the Environmental Indemnity, regardless

of whether Guarantor consents thereto or receives notice thereof; but such modification shall not serve to extend or increase the obligations or liability of Guarantor hereunder unless Guarantor has expressly consented to the modification or to the provisions of such modification which would give rise to the increased obligation or liability.

5. Any act of an Indemnified Party or Additional Indemnified Party constituting a waiver of any of the terms or conditions of the Environmental Indemnity, or the giving of any consent on any matter or thing relating to the Environmental Indemnity, or the granting of any indulgences or extensions of time to Seller, may be done without notice to Guarantor and without releasing Guarantor from any of its obligations hereunder, as modified by such waiver, consent or extension.

6. The liability of Guarantor hereunder shall in no way be affected by (a) the release or discharge of Seller by Buyer or in any creditor's receivership, bankruptcy or other proceeding; (b) the impairment, limitation or modification of the liability of Seller or the estate of Seller in bankruptcy, or of any remedy for the enforcement of the liability of Seller under the Environmental Indemnity resulting from the operation of any present or future provision of any federal or state bankruptcy or insolvency law or other statute or from the decision of any court; (c) the rejection or disaffirmance of the Environmental Indemnity in any such proceedings; (d) the assignment or transfer of the Environmental Indemnity by Seller or of all or any portion of Seller's interests thereunder as permitted thereunder; or (e) any disability or other personal defense of Seller.

7. Guarantor further agrees that Guarantor may be joined in any action against Seller in connection with the obligations of Seller under the Environmental Indemnity, and that recovery may be had against Guarantor in any such action. Buyer may enforce the obligations of Guarantor under this Guaranty without first taking any action whatsoever against Seller or its successors and assigns, and Buyer may pursue any other remedy or apply any security Buyer may hold. Guarantor agrees that Guarantor's obligations shall not be affected by any circumstances which constitute a legal or equitable discharge of a guarantor or surety. Until all the covenants and conditions in the Environmental Indemnity to be performed and observed by Seller are fully performed and observed, Guarantor hereby waives all rights and defenses available to Guarantor by reason of California Civil Code Sections 2787 through 2855, inclusive, and Section 3433 as any of the foregoing may be re-codified, including, without limitation, (a) any defenses Guarantor may have to the obligations guaranteed pursuant to this Guaranty by reason of an election of remedies by Buyer, (b) any rights or defenses Guarantor may have by reason of protection afforded to Seller pursuant to the laws of the State of California that limit or discharge the principal's indebtedness, and (c) any rights of subrogation against Seller by reason of any payments or acts of performance by Guarantor hereunder.

8. Until all the covenants and conditions in the Environmental Indemnity to be performed and observed by Seller are fully performed and observed, any liability or indebtedness of Seller now or hereafter held by Guarantor shall be, automatically and without further action by Guarantor or Seller, expressly subordinate to the obligations of Seller to Buyer under the Environmental Indemnity. Guarantor further agrees that, to the extent the waiver of Guarantor's rights of subrogation and contribution as set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any rights of subrogation Guarantor may have against Seller or against such collateral or security shall be junior and subordinate to any rights Buyer may have against Seller under the Environmental Indemnity and to all rights, title and interest Buyer may have in such collateral or security under the Environmental Indemnity. Buyer may use, sell or dispose of any item of collateral or security as it determines appropriate without regard to any subrogation and contribution rights Guarantor may have, and upon disposition or sale, any rights of subrogation and contribution Guarantor may have in such collateral or security shall terminate.

9. Guarantor hereby waives presentment, demand, protest demand, notice of protest, demand and of dishonor and non-payment of this Guaranty, and all other demands and notices in connection with the delivery, acceptance, performance, default, or enforcement of this Guaranty.

10. No delay on the part of an Indemnified Party or Additional Indemnified Party in exercising any right hereunder or under the Environmental Indemnity shall operate as a waiver of such right or of any other right under the Environmental Indemnity or hereunder, nor shall any delay, omission or waiver on any one occasion be deemed a bar to or a waiver of the same or any other right on any future occasion.

11. In the event of any litigation between Guarantor and an Indemnified Party or Additional Indemnified Party with respect to the subject matter hereof, the nonprevailing party to such litigation agrees to pay to the prevailing party all fees, costs and expenses thereof, including actual attorneys' fees and other expenses actually and reasonably incurred.

12. This Guaranty constitutes the entire agreement between Buyer and Guarantor with respect to the subject matter hereof, superseding all prior oral or written agreements or understandings with respect thereto. This Guaranty may not be changed, modified, discharged or terminated orally or in any manner other than by an agreement in writing signed by Guarantor and Buyer and any Indemnified Party or Additional Indemnified Party who has acquired rights under the Environmental Indemnity at the time of such proposed change, modification, discharge or termination of this Guaranty.

13. This Guaranty shall be governed by and construed in accordance with the laws of the State of California. The parties further agree that venue shall be proper in the Superior Court or federal district court only in Los Angeles County or Orange County, California, in the event of any litigation between the parties with respect to this Guaranty.

14. Guarantor acknowledges that Guarantor is the parent corporation of Seller, and that any and all notices to or knowledge of Seller shall be conclusively imputed to Guarantor.

15. All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered or sent by registered or certified mail, postage prepaid, return receipt requested, or by telecopy, and shall be deemed received upon the earlier of (i) three (3) business days after the date of proper mailing by certified U.S. Mail within the State of California, return receipt requested; or (ii) upon actual receipt if given by any other method. The addresses for notices are as follows:

"Buyer" _____
_____
_____
_____
Attn: _____
Phone: _____
Fax: _____

"Guarantor" McDonnell Douglas Corporation
Headquarters Building
McDonnell Boulevard and Airport Road
St. Louis, MO 63134
Attention: _____
Telephone: _____
Facsimile: _____

16. Buyer may assign this Guaranty without in any way affecting the Guarantor's liability hereunder. The terms and provisions contained within this Guaranty shall inure to the benefit of Buyer and its successors and assigns, and shall bind Guarantor and its successors and assigns.

17. Guarantor represents and warrants to Buyer as follows:

(a) No consent of any other person, including, without limitation, any creditors of Guarantor, and no license, permit, approval or authorization of, exemption by, notice or report to, or registration, filing or declaration with, any governmental authority is

required by Guarantor in connection with this Guaranty or the execution, delivery, performance, validity or enforceability of this Guaranty and all obligations required hereunder. This Guaranty has been duly executed and delivered by Guarantor, and constitutes the legally valid and binding obligation of Guarantor enforceable against Guarantor in accordance with its terms.

(b) The execution, delivery and performance of this Guaranty will not violate any provision of any existing law or regulation binding on Guarantor, or any order, judgment, award or decree of any court, arbitrator or governmental authority binding on Guarantor, or of any mortgage, indenture, lease, contract or other agreement, instrument or undertaking to which Guarantor is a party or by which Guarantor or any of Guarantor's assets may be bound, and will not result in, or require, the creation or imposition of any lien on any of Guarantor's property, assets or revenues pursuant to the provisions of any such mortgage, indenture, lease, contractor other agreement, instrument or undertaking.

18. Estoppel and Recognition Certificates. Guarantor, concurrently with the execution and delivery of this Guaranty (provided Buyer has given Guarantor at least 20 days' prior written notice) and thereafter upon twenty (20) days' notice from Buyer or another Indemnified Party or Additional Indemnified Party, shall provide such party with an estoppel certificate confirming (i) the effectiveness of this Guaranty and (ii) the recognition of a prospective purchaser, lessee, lender or other party as an Indemnified Party or Additional Indemnified Party (where such recognition is accurately the case).

19. Every provision of this Guaranty is intended to be severable. In the event any term or provision hereof is declared to be illegal or invalid for any reason whatsoever by a court of competent jurisdiction, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the date first above written.

GUARANTOR:

MCDONNELL DOUGLAS CORPORATION, a Maryland corporation

By: _____

By: _____

BUYER:

_____,
a _____

By: _____

EXHIBIT "8"

ELEMENTS OF REMEDIATION

This Exhibit sets forth the various elements of the Remediation which shall be incorporated into the Remediation Plan. Some of the following is summarized in the previous transmittal to the Regional Water Quality Control Board ("Water Board") and Department of Toxic Substances Control ("DTSC"), dated August 14, 1997 and Site Remediation Strategy dated June 1998, copies of which have been delivered to BUYER.

A. The following items are required in order for Completion to occur:

Remediation of surface soils of the Property to a maximum depth of twelve (12) feet below ground level, which has been and is being performed pursuant to the following:

- Sampling and Analysis Plan for Demolition Activities at the Douglas Aircraft C-6 Facility (February 1997);
- Phase II Field Sampling Plan, Douglas Aircraft Company C-6 Facility (February 1997);
- Work Plan for Post Remediation Confirmation Soil Sampling, Parcel A (February 1997);
- Health-Based Screening Goals for Surface Soils (August, 1997) approved by the Water Board (DTSC approval pending);

B. The following items shall be included within the Excluded Portion:

- Submission of Remedial Action Work Plan for Soils and Groundwater for approval and authorization by the Lead Agency;
- Completion of construction and operational certification of the remediation system;
- Remediation of soils below twelve (12) foot depth pursuant to Remediation Plan;
- Remediation of groundwater beneath the Property pursuant to Remediation Plan.

EXHIBIT "9"

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

HEWITT & McGUIRE, LLP
19900 MacArthur Boulevard
Suite 1050
Irvine, California 92612
Attn: Jay F. Palchikoff

(Space Above Line for Recorder's Use Only)

DECLARATION OF EASEMENTS, COVENANTS, CONDITIONS AND RESTRICTIONS

This Declaration of Easements, Covenants, Conditions and Restrictions (the "**Declaration**") is made as of _____, 1998 by BOEING REALTY CORPORATION, a California corporation (formerly known as McDonnell Douglas Realty Company) ("**Declarant**").

RECITALS

A. Declarant is the fee owner of that certain real property described as Parcels 1 through 8 of Tract Map No. 52172 (the "**Tract Map 52172**") in the City of Los Angeles (the "**City**"), as filed in Book _____, Pages __ through __, inclusive, of Miscellaneous Maps, in the Official Records of the County of Los Angeles (the "**County**"), State of California (the "**Retail Tract**").

B. Declarant also is the fee owner of that certain real property described as Lots 9 through 37 of the Tract Map (the "**Industrial Tract**"), as well as the proposed roadway areas depicted in attached Exhibit "A" as Harborgate Way, Knox Street and Francisco Street (the "**Street Lots**") (each legal parcel within the Retail Tract from time to time is referred to in this Declaration as a "**Retail Tract Parcel**," each legal parcel of the Industrial Tract from time to time is referred to in this Declaration as an "**Industrial Tract Parcel**," the Retail Tract Parcels and the Industrial Tract Parcels are referred to collectively in this Declaration as the "**Covered Parcels**," and the Covered Parcels and the Street Lots are referred to collectively in this Declaration as the "**Property**." The owner of each Covered Parcel and its successors and assigns to such Covered Parcel are referred to collectively in this Declaration as a "**Covered Parcel Owner**," each Covered Parcel Owner of a "**Retail Tract Parcel**" is referred to in this Declaration as a "**Retail Parcel Owner**," and each Covered Parcel Owner of a Industrial Tract Parcel is referred to in this Declaration as an "**Industrial Parcel Owner**." The lessees, invitees, agents, employees and licensees of a Covered Parcel and the Covered Parcel Owner of such Covered Parcel are referred to collectively in this Declaration as "**Covered Parcel Users**" of such Covered Parcel, the Covered Parcel Users of the Retail Tract Parcels are referred to collectively in this Declaration as "**Retail Parcel Users**," and the Covered Parcel Users of the Industrial Tract Parcels are referred to collectively in this Declaration as "**Industrial Parcel Users**."

C. Declarant desires to enter into and record for itself, its successors and assigns this Declaration to declare that the Property is to be held, sold, leased and conveyed subject to the easements, covenants, conditions and restrictions declared in this Declaration.

NOW, THEREFORE, Declarant hereby declares, for itself, its successors and assigns, the easements, covenants, conditions and restrictions over the Property, which shall be appurtenant to the Property when conveyed in any manner, as follows:

I. DECLARATION OF EASEMENTS

A. Harborgate Way Easement. Declarant hereby declares and reserves for its own use and benefit, and for the benefit of the Retail Tract and such other Covered Parcels as Declarant may declare by recorded instrument from time to time, a perpetual, non-exclusive, appurtenant easement and right of way (the "**Harborgate Way Easement**") in, over, through and across that portion of Harborgate Way lying north of the westerly prolongation of the southerly boundary of the Temporary Truck Access Easement Area (as defined in Section I.B below) "**Harborgate Way Easement Area**" for the purposes of ordinary vehicular (including passenger, delivery and service vehicles) and pedestrian ingress to and egress from the Covered Parcels (but specifically excluding any parking purposes or any stopping of vehicles for delivery, staging, loading or other purposes), and for installation, maintenance, repair and replacement of landscaping, irrigation systems, sidewalks, street lighting, signage (subject to Section I.G below) and similar facilities and equipment over such portions of the Harborgate Way Easement Area as may be approved by Declarant from time to time.

B. Access Easement. Declarant hereby declares for the benefit of the Retail Tract a temporary, non-exclusive, appurtenant easement and right of way (the "**Temporary Truck Access Easement**") in, over, through and across that portion of the Property depicted on Exhibit "B" attached hereto as the "**Temporary Truck Access Easement Area**" for the purposes of vehicular ingress to and egress from Lot 3 of the Tract Map by delivery and service vehicles only (and specifically excluding any parking purposes or any stopping of vehicles for delivery, staging, loading or other purposes). The Temporary Truck Access Easement shall terminate if and when the Knox Street Easement or the Alternative Street Easement becomes effective as set forth below in this paragraph. Effective if and when a railroad crossing is granted by Union Pacific Railroad Company or its successor which will permit access from Normandie Avenue across the existing railroad tracks onto the portion of the Property depicted on Exhibit "B-1" attached hereto as the "**Knox Street Easement Area**," Declarant hereby declares for the benefit of the Retail Tract a perpetual, non-exclusive, appurtenant easement and right of way (the "**Knox Street Easement**") in, over, through and across the Knox Street Easement Area for the purposes of ordinary vehicular (including passenger, delivery and service vehicles) and pedestrian ingress to and egress from the Retail Tract Parcels (but specifically excluding any parking purposes or any stopping of vehicles for delivery, staging, loading or other purposes); provided, however, that in no event shall the Knox Street Easement become effective prior to March 31, 1999. Effective if the railroad crossing is not granted by Union Pacific Railroad Company as described above by December 31, 1999, Declarant hereby declares for the benefit of the Retail Tract a perpetual, non-exclusive appurtenant easement and right-of-way (the "**Alternative Street Easement**") in, over, through and across the portion of the Property depicted on Exhibit "B-1" attached hereto as the "Alternative Street Easement Area" **[exhibit will depict Francisco west to Harborgate Way, Harborgate Way north to Knox Street, and Knox Street east to driveway]** for the purposes of ordinary vehicular (including passenger, delivery and service vehicles ingress to and egress from the Retail Tract Parcels (but specifically excluding any parking purposes or any stopping of vehicles for delivery, staging, loading or other purposes). The termination of the Temporary Truck Access Easement and the effectiveness of the Knox Street Easement or the Alternative Street Easement, as the case may be, shall be evidenced by a notice of such termination and effectiveness executed by Declarant and recorded in the Official Records of Los Angeles County. In addition, Declarant shall be responsible, at its sole cost, for completing the construction, paving and other installations required under applicable law to install the Railroad Crossing (as defined in Section II.C.1 below) and the Knox Street Easement Area, including the "**Future Curb Cut**" as depicted in Exhibit "B-1" attached hereto. The Harborgate Way Easement Area, the Temporary Truck Access Easement Area and the Knox Street Easement Area (or Alternative Street Easement, as the case may be) are referred to collectively in this Declaration as the "**Road Easement Areas**," and the Harborgate Way Easement, the Temporary Truck Access Easement and Knox Street Easement are referred to collectively in this Declaration as the "**Road Easements**").

C. Declaration of Utilities Easements.

1. Permanent Easements. Declarant hereby declares and reserves for its own use and benefit, and for the use and benefit of the Retail Tract and such other of the Covered Parcels as Declarant may declare by recorded instrument from time to time, perpetual

non-exclusive, appurtenant easements and right-of-ways (the "**Utilities Easements**") in, over, through, across and under the Harborgate Way Easement Area (collectively, the "**Utilities Easement Areas**") for the location, development, installation, operation, maintenance, repair and replacement of electric, gas, water, telephone, cable television, sewer, storm drain and other utilities convenient or necessary in the ownership, development, use or operation of each of the Covered Parcels from time to time, (the "**Common Utilities**"). The Utilities Easements may be used by each Covered Parcel Owner whose Covered Parcel is benefitted by the Utilities Easements, together with such Covered Parcel Owner's lessees who are responsible for the development, installation, operation, maintenance, repair or replacement of the Common Utilities serving such Covered Parcel, provided that such use shall not unreasonably interfere with the use of the Harborgate Way Easement set forth in Section I.A above. Declarant and any other Covered Parcel Owner whose Covered Parcel is benefitted by the Utilities Easements, shall have the right to assign the benefit and use of all or any portion of the Utilities Easements or Common Utilities to any electric company, gas company, telephone company, cable television company, flood control district or other public utility or to the City or other public or quasi-public entity that will be responsible for the installation, maintenance or repair of the facilities for which such assignment is made. No conveyance by Declarant of any Covered Parcel or any interest therein shall be deemed to be or construed as a conveyance or release of the Utilities Easements or Common Utilities except as explicitly stated in such conveyance, even though the conveyance purports to convey such Covered Parcel in fee simple or purports to convey Declarant's entire interest therein.

2. Temporary Easements. Declarant hereby declares and reserves for its own use and benefit and for the use and benefit of the Covered Parcels temporary non-exclusive, appurtenant easements and rights of way (the "**Temporary Utilities Easements**") in, over, through and across that portion of the Property depicted on Exhibit "C-1" attached hereto as the "**Storm Drain Facilities**" and "**Sewer Facilities**" (collectively, the "**Temporary Utilities Easement Areas**"), together with easements for reasonable access for the purposes of maintenance, repair and replacement of the Storm Drain Facilities and Sewer Facilities and improvements located within the Temporary Utilities Easement Areas, and other reasonable purposes incidental thereto. The Temporary Utilities Easements shall terminate on March 31, 2001. The Owner of the Covered Parcel on which the Storm Drain Facilities are located shall have the reasonable right to relocate such portion of the Storm Drain Facilities that interferes with the normal development of such Covered Parcel, provided that such relocation is done at the sole expense of such Owner in accordance with sound engineering and construction practices.

D. Water Riser and Gas Riser Easements. Declarant hereby declares and reserves for its own use and benefit, and for the use and benefit of such of the Covered Parcels as Declarant may declare by recorded instrument from time to time, perpetual, non-exclusive, appurtenant easements (collectively, the "**Riser Easements**") in, over, through, across and under the areas depicted on Exhibit "C" attached hereto as the "**Water Facilities**" and "**Gas Facilities**" (collectively, the "**Riser Easement Areas**"), together with easements for reasonable access for the purposes of maintenance, repair and replacement of the Water Facilities and Gas Facilities and other facilities and improvements located within the Riser Easement Areas, and other reasonable purposes incidental thereto. Declarant shall have the right to assign all or any of its rights in the Riser Easements to any transferee or future owner of a Covered Parcel.

E. Easement for Remediation Work.

1. Declaration of Easements. Declarant acknowledges that Declarant or its successors will be pursuing environmental remediation work and related activities (the "**Remediation**") under the a remediation plan (the "**Remediation Plan**") approved by the Regional Water Quality Control Board (the "**RWQCB**"). The Remediation Plan, as approved by RWQCB, will or may require the installation and maintenance of certain facilities and equipment and will require that Declarant have reasonable access to all such facilities and equipment for the purposes of installing, operating, monitoring, testing, maintaining, repairing, replacing and removing such facilities and equipment and other purposes reasonably related thereto. Subject to the conditions set forth in Section I.E.2. below, Declarant hereby declares and reserves for its own use and benefit, and for the use and benefit of such of the Covered Parcels as Declarant may declare by recorded instrument from time to time, the following, non-exclusive, appurtenant easements and rights-of-way (collectively, the "**Remediation**

Easements") in, over, through, across and under the Property as follows: (i) an easement for the purposes of operating, monitoring, testing, maintaining, repairing, replacing and removing existing wells only in the locations depicted in Exhibit "D" attached hereto and related facilities and equipment and other purposes reasonably related thereto; (ii) an easement for the purposes of installing, operating, monitoring, testing, maintaining, repairing, replacing and removing such wells and other facilities and equipment as may be required in connection with the Remediation and other purposes reasonably related thereto only within the portion of the Property depicted in Exhibit "D-1" attached hereto, together with one (1) additional well outside such area and within Parcel 1 or 2 of the Retail Tract at a location specified by RWQCB; provided, however, that the surface facilities and equipment installed within such easement areas shall not interfere with the use or enjoyment of the Property (*i.e.*, surface improvements within roadways shall consist of covers or caps substantially at ground level and any other facilities or equipment shall be fully screened and located within areas designated in the then-current (*i.e.*, at the time such facilities or equipment are to be approved for installation) site plan for the affected Retail Tract Parcel as median, buffer or landscaped areas and shall extend no higher than four feet above ground level and have horizontal dimension of not greater than four feet), such facilities and equipment to be subject to relocation at the election and expense of the owner of the affected Retail Tract Parcel from time to time, to a reasonable and feasible new location approved by each Governmental Agency, as defined below; and (iii) an easement for underground facilities and equipment reasonably related to the Remediation, provided such facilities and equipment are located at least twenty (20) feet below ground level and shall not endanger, impair or interfere with any improvement constructed on the Property or the use or enjoyment thereof. Declarant acknowledges that, after recordation of this Declaration, the RWQCB or other governmental or quasi-governmental body having jurisdiction over the Remediation (each, a "**Governmental Agency**") may require or permit the Remediation Plan to be modified or may interpret or enforce the Remediation Plan differently from how Declarant may anticipate. The Remediation Easements shall be construed at all times to permit access to such portions of the Property as may be reasonably necessary from time to time to fully comply with the Remediation Plan as it may be interpreted by the Governmental Agencies or amended from time to time. The exercise of rights under the Remediation Easements shall be reasonable and shall not unreasonably interfere with the development or operation of the Retail Tract or the businesses conducted thereon from time to time. Declarant shall have the right to assign the benefit and use of the Remediation Easements to any Affiliate of Declarant or any successor or assign of an Affiliate or Declarant who becomes obligated to complete all or any portion of the Remediation. For the purposes of the Declaration, "**Affiliate**" means any entity which from time to time directly or indirectly controls, is controlled by or is under common control with an entity in question. The Remediation Easements shall terminate when the Remediation has been completed and each appropriate Governmental Agency has issued a certificate or other documentary evidence in customary form indicating that such Governmental Agency is not planning to require any further action with respect to environmental remediation of the Property. Upon such termination, Declarant or its successors or assigns shall cause to be recorded in the Official Records of Los Angeles County a document evidencing the termination of the Remediation Easements, but failure to record such a document shall not be a prerequisite to the termination of the Remediation Easements. Declarant anticipates that the Remediation Easements will need to stay in effect for an extended period of years, perhaps exceeding twenty (20) years. Notwithstanding any termination of the Remediation Easements, in the event any Governmental Agency requires further environmental remediation of any portion of the Property necessitating further entry upon any Covered Parcel, the Remediation Easements shall be reinstated as reasonably necessary to provide for such necessary entries thereon, and Declarant and its Affiliates or successors or assigns shall have a right to cause to be recorded in the official records of Los Angeles County a document evidencing the reinstatement of the Remediation Easements. After reinstatement, the Remediation Easements shall terminate again (and be subject to further reinstatement and later termination) pursuant to the foregoing provisions of this paragraph.

2. Terms of Use. Notwithstanding any other provisions of this Declaration, during the term of any Remediation Easement, Declarant and its Affiliates or successors and assigns shall comply with the following conditions:

(a) All remediation work and related activities conducted on the Remediation Easement areas shall be carried out in accordance with all applicable federal,

state and local laws, regulations, orders, permits and other governmental requirements concerning the regulation or protection of health, safety and the environment, and in a good and workmanlike manner.

(b) To the extent reasonably feasible, all remediation work and related activities on the Remediation Easement areas shall be preceded by reasonable prior written notice to the Parcel Owner thereof, giving estimated start-up and completion schedules, along with a description of any disruptions likely to be caused by such activities. Potentially disruptive activities (*e.g.*, surveying, drilling, construction or monitoring) shall, to the extent reasonable, be performed outside of the business hours established for the business activities at the affected Covered Parcel. All construction areas shall be maintained in a neat and orderly manner during such business hours; provided, however, that all wastes generated by such activities shall be removed from the Remediation Easement areas on a daily basis.

(c) All damages to the Remediation Easement areas or its appurtenances caused by remediation work and related activities shall be promptly repaired to the condition existing before the damage occurred.

(d) Customary and standard insurance for the remediation work and related activities, including pollution liability and errors and omissions insurance, shall be obtained from all consultants or contractors performing activities on the Remediation Easement areas and shall identify the Parcel Owner thereof as an additional insured.

(e) Upon written request from a Parcel Owner of a Remediation Easement area, Declarant shall promptly provide to such Parcel Owner all consultant reports (to the extent such reports are non-privileged) and laboratory results generated by Declarant or its agents as a result of the remediation and related activities on such Covered Parcel and shall allow such Parcel Owner, or its agent, to observe and, at such Parcel Owner's expense, take or share soil, vapor, air, surface water or groundwater samples as reasonably required by such Parcel Owner.

F. Easements for Signage. Declarant hereby declares and reserves for its own use and benefit, and for the use and benefit of such of the Covered Parcels as Declarant may declare by recorded instrument from time to time, a perpetual, non-exclusive, appurtenant easement (the "**Signage Easement**") in, over, through, across and under that portion of the Retail Tract depicted as the "**Signage Easement Area**" in Exhibit "E" attached hereto for the location, development, installation, lighting, operation, maintenance, repair and replacement of signage for the Industrial Tract. Such signage shall conform to the criteria set forth in Exhibit "E" attached hereto. No Retail Parcel User or other party may place any other signage within the Signage Easement Area.

II. RETAINED USES, DEDICATION AND MAINTENANCE

A. Retained Rights in Easement Areas. The Covered Parcel Owner of each Covered Parcel containing an easement area declared under this Declaration (each, an "**Easement Area**") shall retain the right to permit such Easement Area to be used for any purpose to the extent such use does not unreasonably interfere with the use of an Easement Area as permitted pursuant to this Declaration. The respective Covered Parcel Owners shall retain all rights in the Easement Areas which are not inconsistent with the purposes for which the Easement Areas are intended under this Declaration, including but not limited to the rights to (i) subject use of the Easement Areas to reasonable rules and regulations applied on a nondiscriminatory basis; (ii) make any repairs to the Easement Areas that do not unreasonably interfere with the permitted use of the Easement Areas pursuant to this Declaration; and (iii) make any alterations or improvements of or to the Easement Areas or any improvements thereon that do not unreasonably interfere with use of the Easement Areas as permitted pursuant to this Declaration.

B. Dedication of Easement Areas. Declarant contemplates that it may dedicate all or any portion of the Road Easement Areas, Utilities Easement Areas, Common Utilities or other property or facilities to the City, the County or other public or quasi-public entity for public use or other use that includes reasonable continued use by Covered Parcel Users

benefitted under this Declaration (the "**Dedications**"), which Dedications may or may not occur and, if they occur, may occur in one conveyance to one such entity or various conveyances to one or more of such entities from time to time. Declarant hereby reserves the right to make the Dedications at any time and from time to time. Upon the occurrence of a Dedication as to all or a particular portion of the Road Easement Areas, Utilities Easement Areas or Common Utilities, all easements, rights and obligations set forth in Section I.A, I.B or I.C above with respect to all or such portion of the Road Easement Areas, Utilities Easement Areas or Common Utilities as to which such Dedication applies shall terminate and expire immediately upon such Dedication.

C. Maintenance and Repair; Costs.

1. Maintenance of Road and Utility Easement Areas. The owner of the Lot 3 of the Tract Map shall improve, maintain, repair and replace the Temporary Truck Access Easement area in good condition and repair in compliance with all applicable laws and regulations until the Temporary Truck Access Easement terminates. Subject to the provisions of Section II.C.5 below, Declarant shall maintain, repair and replace the Harborgate Way Easement Area, Utilities Easement Areas and Common Utilities in good condition and repair in compliance with all applicable laws and regulations. Subject to the provisions of Section II.C.5 below, all such maintenance, repairs and replacements shall be completed without expense to the owner of the Retail Tract. Subject to the provisions of Section II.C.5 below, Declarant also shall maintain and repair the Knox Street Easement Area and the railroad crossing located within or adjacent to the Knox Street Easement Area, including, but not limited to, paving, crossing gates, signage, flashers and other facilities and equipment (collectively, the "**Railroad Crossing**") in good condition and repair in compliance with all applicable laws and regulations and any agreements pertaining to the adjacent railroad crossing that may exist from time to time with the applicable railroad company (the "**Railroad Agreements**"). The owner of the portion of the Retail Tract described as Lot 3 of the Tract Map (the "**Benefitted Parcel**") shall pay to Declarant an amount equal to fifty percent (50%) of the Reimbursable Costs (as defined below) incurred in the operation, maintenance, repair or replacement of the Knox Street Easement Area as required under the Railroad Agreements. In the event not all of the Benefitted Parcel is owned by one Owner, Declarant shall have the right to collect the amounts owing pursuant to this paragraph from the Retail Parcel Owner owning the largest portion of the Benefitted Parcel by gross acreage (*i.e.*, such owner shall pay the entire amount owing and then, at its own expense, may seek reimbursement from other Retail Parcel Users as may be appropriate). As used in this Declaration, "**Reimbursable Costs**" shall mean all out-of-pocket costs and expenses reasonably incurred to maintain and repair the Knox Street Easement Area or Railroad Crossing as determined in accordance with generally accepted accounting principles and practices consistently applied. Reimbursable Costs also shall include all real property taxes and assessments and other amounts imposed similar thereto or in lieu thereof against the Knox Street Easement Area, and the cost of liability insurance and property insurance maintained to cover the Knox Street Easement Area or Railroad Crossing and the property on which it is located, with the determination in each case of the portion attributable to the Knox Street Easement Area or Railroad Crossing to be made by Declarant on a reasonable basis from time to time. Reimbursable Costs shall not include any costs resulting from the negligence or other wrongful conduct or breach of this Declaration by a Covered Parcel Owner (which costs shall be paid in full by the negligent, wrongful or breaching Covered Parcel Owner), or any accounting, administrative, supervision or overhead costs or fees or any costs incurred in the initial construction or installation of the Railroad Crossing or the correction of defects therein or capital replacements, additions or alterations thereof except to the extent amortized over the useful life thereof. Notwithstanding the foregoing, it is specifically declared that the costs of repaving, resealing and restriping the Knox Street Easement Area and Railroad Crossing when necessary in the reasonable opinion of Declarant, as well as the costs of replacement of any facilities or equipment pertaining to the Railroad Crossing as necessary from time to time under the Railroad Agreements or otherwise, shall be considered to be Reimbursable Costs. Declarant shall, if requested by the Owner of the Benefitted Parcel from time to time, furnish reasonable back-up information and documentation pertaining to the Reimbursable Costs. The Owner of the Benefitted Parcel or its authorized agent shall have the right, within one year after receipt of Declarant's itemized statement for a year, and upon ten days' prior written notice to Declarant, to inspect Declarant's books and records regarding the Reimbursable Costs for such year at Declarant's main accounting offices. Declarant agrees to maintain its books and records at its

main accounting offices for a minimum of one (1) year following the expiration of each accounting year to which such books and records pertain. In the event such audit shall disclose that Declarant has overstated the shares Reimbursable Costs for the Benefitted Parcel by more than three percent (3%) for the year in question, Declarant shall pay for the reasonable costs of the audit. Any refund due to the Owner of the Benefitted Parcel shall be payable in any event. Notwithstanding the foregoing provisions of this paragraph, all obligations to maintain, repair or replace a particular portion of the Road Easement Areas, Utility Easement Areas or Common Utilities shall cease upon the occurrence of a Dedication with respect to such area as contemplated in Section II.B above, and all obligations to operate, maintain, repair or replace the Railroad Crossing shall cease when such obligations cease under the Railroad Agreements.

2. Maintenance of Riser Easement Areas and Temporary Utilities Easement Areas. Declarant, at its expense, shall maintain and repair the Riser Easement Areas and the Temporary Utilities Easement Areas in good condition and repair in compliance with all applicable laws and regulations, and Declarant shall repair and restore all landscaping, paving and other improvements that are damaged from time to time by the maintenance, repair, replacement or improvement of any facilities or equipment within the Riser Easement Areas or the Temporary Utilities Easement Areas related to the use of the easements hereunder.

3. Maintenance and Repair of Remediation Easement Facilities. Declarant, at its expense, shall maintain and repair in good condition, and in compliance with all applicable laws and regulations, all facilities, equipment and other items placed on the Property in connection with the Remediation or Remediation Plan, and Declarant shall repair and restore all landscaping, paving and other improvements that are damaged from time to time by the maintenance, repair, replacement or improvement of any such facilities or equipment or Declarant's other use of the Remediation Easement.

4. Maintenance of Signage. Declarant shall, at it expense, maintain and repair in good condition, and in compliance with all applicable laws and regulations, the Signage Easement Area and all signage and other facilities, equipment and improvements placed within the Signage Easement Area pursuant to the Signage Easement, and Declarant or its successors shall repair and restore all landscaping, paving and other improvements that are damaged from time to time by Declarant's installation, repair, placement or improvement of any such facilities, equipment or improvements within the Signage Easement Area.

5. Installation and Maintenance of Parkways. The Covered Parcel Owner of each Covered Parcel, at its expense, shall cause the areas within the public right-of-ways (and any area within Harborgate Way, Knox Street or Francisco Street so long as such roadways remain privately owned) that are adjacent to such Covered Parcel (*i.e.*, extending from the parcel boundaries to the edge of curb of the street improvements) to be installed, maintained and repaired in good, clean and attractive repair, including, but not limited to, design, governmental approval, construction of all installation of all landscaping, irrigation systems, sidewalks, street lighting, signage (subject to Section I.G.) and other facilities and equipment within such areas as may be required in accordance with applicable laws and regulations, and maintenance, repair and replacement of the foregoing.

6. Emergency Repairs. Notwithstanding anything in this Declaration to the contrary, any Covered Parcel Owner shall have the right to make emergency repairs to any Easement Area located within its Covered Parcel, as to which prior approval of the party responsible for maintenance and repair is not reasonably possible, in order to prevent injury or damage to persons or property. The cost of such emergency repairs shall be reimbursed to the Covered Parcel Owner making such emergency repairs by the party obligated to maintain or repair such Easement Area, as provided in Section II.C.7 below. Immediately upon making an emergency repair to an Easement Area, the Covered Parcel Owner making such repair shall notify the party obligated to maintain and repair such Easement Area.

7. Payment of Costs. In circumstances in which a Covered Parcel Owner (the "**Obligor Owner**") is obligated to pay a cost or expense pursuant to this Declaration, such payment shall be made within twenty (20) days after presentation of an invoice and reasonable supporting documentation by the party to whom payment is owed (the "**Obligee Owner**"). If an Obligor Owner fails to pay an amount owing pursuant to this Declaration, and

such failure continues for ten (10) calendar days after the receipt by the Obligor Owner of written notice from the Obligee Owner that such payment was not made as required, the Obligor Owner shall pay as a late charge an amount equal to ten percent (10%) of the delinquent amount. Declarant acknowledges that such amount of late charge constitutes a reasonable estimate of reasonable administrative and other costs likely to be incurred by an Obligee Owner in the event an Obligor Owner does not make timely payment. This provision shall in no way limit any of the provisions set forth in Section IV of this Declaration or any other remedies for nonpayment available under applicable law.

8. Assignment and Assumption of Obligations; Association. Declarant may assign any of the easements or other rights of Declarant under this Declaration or any of Declarant's obligations under this Declaration at any time to any Affiliate of Declarant or to any successor to Declarant or its Affiliate by merger or acquisition of substantially all of Declarant's or such Affiliate's assets or to any successor in interest in all or any portion of the Property (any such person or entity described above in this paragraph being referred to in this Declaration as a "**Successor**." So long as Declarant (or any Successor to whom Declarant may have assigned the following rights) owns all or any portion of any Covered Parcel, Declarant (or such Successor to whom Declarant may have assigned the following rights) may establish and cause participation by the Parcels and Owners in a property owners' association for the benefit of all or any portion of the Property (the "**Association**"). After neither Declarant nor any Successor to whom Declarant's right to form the Association has been assigned owns any portion of any Parcel, the Association may be formed upon the majority vote of the Covered Parcel Owners. In the event an Association is established, each Covered Parcel Owner shall become a member of the Association and shall be governed by the rules and regulations of the Association which rules and regulations shall not be inconsistent with the provisions of this Declaration. Any and all rights, obligations, powers and reservations of Declarant shall be assigned to the Association, except that if Declarant (or a Successor to whom Declarant's right to form the Association has been assigned) has caused the Association to be formed as set forth above in this paragraph, Declarant or such Successor may retain such of its rights and obligations under this Declaration as Declarant or such Successor may desire, with the right to assign such rights and obligations to the Association or a Successor in one or more further assignments from time to time in the future. Any and each such assignment of rights or obligations to a Successor or the Association pursuant to this paragraph shall be evidenced by a writing recorded in the Official Records of Los Angeles County, which shall include a written acceptance of such rights and assumption of such obligations on behalf of the Successor or the Association. Upon a Successor's assumption of an obligation of Declarant under this Declaration, Declarant shall have no responsibility for any further performance of such obligation except for Declarant's breaches occurring prior to such assumption.

III. ADDITIONAL COVENANTS, CONDITIONS AND RESTRICTIONS

A. Restrictions on Use of the Property. All limitations contained in this Declaration are supplemental to controls established by zoning, building, fire and other applicable laws and regulations. In the event of any conflict between such laws or regulations and the provisions of this Declaration, the more restrictive shall apply to the extent legally permissible. Declarant hereby covenants and declares that the Property shall be held, leased and conveyed subject to the following restrictions and covenants, which are hereby declared to be for the benefit of all Covered Parcels:

1. Prohibited Uses. No Covered Parcel shall be used for any residence (*i.e.*, place of permanent human habitation), school, day care facility for children, hospital for humans or other in-patient care facility or other use as to which heightened or special requirements or standards may apply from time to time under applicable environmental laws, but this sentence shall not prohibit uses ordinarily located in automobile dealerships or in shopping centers (such as restaurants, theaters and other entertainment facilities and stores engaged in the sale of consumer goods) or uses for extended stay or other hotels with or without kitchenettes. In addition, no Covered Parcel shall be used for any of the following: Environmental remediation facility (except in connection with remediation of the Property); exterminating service; butane or propane distribution; exterminating and fumigating warehouse; bulk storage of gasoline or fuel oil tanks (except as incidental to retail sales); bulk storage of paint and varnish; petroleum products packaging and storage; adult book store, adult novelty

store, adult theater or adult live entertainment (the foregoing shall not prohibit a full-line bookstore from selling adult-themed literature or products, or prohibit a full-line video or entertainment store from selling or renting adult videos, or prohibit a movie theater from exhibiting movies which are unrated or rated for adults only as part of the spectrum of movies ordinarily exhibited by major theater chains); day labor hiring hall; pawn shop; religious mission, including a charity dining hall; commercial loading of small arms or manufacture of ammunition; rock quarrying, sand and gravel or other mineral extraction; transit terminal; propane sales except as incidental to other retail sales or service; drive-in movie theater; tattoo establishment; thrift store; concrete or cement products manufacturing; plating or polishing shop, plating works or electric plating; metal, glass, plastic or other materials processing or recycling (except for recycling facilities on a Covered Parcel for the recycling of garbage, refuse or other materials generated on such Covered Parcel to the extent such recycling is required by law or is an ordinary incidental activity to other non-prohibited uses of such Covered Parcel); foster home or group foster home; farm devoted to hatching, raising, breeding and marketing of chickens, turkeys or other fowl, rabbits, fur-bearing animals or fish; feeder lot for horses, cattle, goats or sheep; dairy farm; bail bond company; body and fender shop; cannery, slaughter house or meat, processing or packaging plant; cesspool service; crematorium; flour or grain elevator; motor vehicle fuel distribution facility (other than at retail); outdoor hay and straw storage; massage establishment (except as incidental to physical therapy, fitness or medical uses); repair and rewinding of transformers or generators; outdoor paving materials storage; welding shop; wrecking yard or junkyard; shelter or dormitory intended to provide temporary shelter; transient hotel; so-called "head shop" or facility for the sale of drug paraphernalia; residential uses; traveling carnival (except for promotions conducted in the common area of any retail development incidental to attracting customers to such development); bingo parlor or any establishment conducting games of chance; or dumping or disposing of garbage or refuse. The foregoing shall not be construed to prohibit the use of the Retail Tract (i) as one or more extended stay or other hotels of reasonable quality with or without kitchenettes (subject to the provisions of Section III.D below); (ii) for servicing or reconditioning of automobiles or automobile body shop purposes, provided that such uses are incidental to use of a Retail Tract Parcel as a car dealership (such uses will be considered to be "incidental" if the annual gross revenues from such uses do not exceed 20% of the annual gross revenues for the car dealership including such services); or (iii) for above-ground bulk storage of gasoline, paint, varnish and other petroleum products incidental to use of a Retail Tract Parcel as a car dealership to the extent the storage of such products is reasonably necessary and customary from time to time and provided that, in any event, the transportation, storage, dispensing, use, disposal and other activities pertaining to such products are at all times performed in strict accordance with all applicable laws.

2. Parking Areas. Paved off-street parking as required by rules of any governmental or quasi-governmental authority entity having jurisdiction thereof shall be provided on each Covered Parcel to accommodate all parking needs for Covered Parcel Users of such Covered Parcel. If parking requirements for a Covered Parcel increase as a result of a change in use or number of employees, additional off-street parking shall be provided by the Covered Parcel Owner of such Covered Parcel or its lessees, licensees or occupants to satisfy the intent of this paragraph. All areas designated as parking shall be paved and curbed.

3. Storage and Loading Areas. All loading doors, docks, facilities or other service areas (excluding restaurant drive-thru facilities) shall be set back a minimum of thirty (30) feet from any property line which is adjacent to a street, except upon specific written approval from Declarant upon application showing screening and concealing of all such loading facilities from the street. No materials, supplies, merchandise or equipment, including company-owned or operated trucks (except for up to three delivery trucks for each tenant used for local deliveries to such tenant's customers), shall be stored in any area on a Covered Parcel except inside a closed building, or behind a visual barrier screening such areas so that they are not visible from neighboring properties or streets, without specific written approval from Declarant. The foregoing restrictions shall not prohibit a retail store from conducting sidewalk sales or parking lot sales adjacent to the store, or prohibit outdoor, highly visible storage of vehicles in connection with the use of a Retail Tract Parcel as an automobile dealership, retail stores of greater than 10,000 square feet from having a dedicated outside sales area for the sale of garden products, home improvement products or other items customarily sold outdoors by large retailers, or prohibit retail tenants from conducting outdoor sales of seasonal items such

as Christmas trees and pumpkins. All loading doors, docks, facilities and other service areas shall be concealed from view from neighboring properties and streets by landscaping, fence or concrete walls. Exterior lighting shall not overwash property lines, or be of such intensity, size, color or location, so as to be a nuisance to other Covered Parcels.

4. Signs. No signs, billboards, advertising or other writing or depiction visible from outside a Covered Parcel shall be erected, placed or maintained on any Covered Parcel which are not in accordance with all applicable laws and regulations or which make identifications other than the name, business and logo of the person or firm occupying the premises and those offering the premises for sale or for lease; provided, however, that the foregoing shall not prohibit signage of a particular tenant from identifying its departments, licensees, concessionaires or subtenants, or prohibit any restaurant from exhibiting menu signs readable from areas immediately adjacent to the restaurant (including customer drive-thrus and menu signs for fast food restaurants), or prohibit directional traffic signs. Except for the use of the Signage Easement pursuant to Section I.F above, no sign, billboard, advertising or other writing or depiction visible from outside a Covered Parcel shall be erected, placed or maintained within 100 feet of any Signage Easement Area or extend higher than fifteen (15) feet above ground level within 200 feet of any Signage Easement Area; provided, however, that Declarant or its successors shall include the identification of the three largest businesses (by building square footage occupied) operating within the Retail Tract from time to time, at such businesses' expense, on the monument signage for the Industrial Tract to be located within the Signage Easement Area (the identification of such businesses to be of a size, character, prominence, style and configuration to be reasonably determined by Declarant or its successors from time to time and in all events substantially less prominent than the identification of the Industrial Tract); and provided further, that the provisions of this sentence shall not prohibit signs affixed to buildings as are otherwise permitted pursuant to the provisions of this Section III.A.4. No "for sale" or "for lease" sign shall be placed within 200 feet of any Signage Easement Area (except for such signs not in excess of nine (9) square feet in size which may be placed in building windows) or extend higher than fifteen (15) feet above ground level. In no event shall more than two (2) "for sale" or "for lease" signs be permitted for each Covered Parcel from time to time.

5. Landscaping. Attractive, first-class landscaping shall be installed and maintained on each Covered Parcel on which a building is constructed. Landscaping shall be installed within ninety (90) days from the date after occupancy by any tenant or substantial completion of the building, whichever date first occurs, unless Declarant shall approve in writing another final date of landscape installation. For buildings built for speculative purposes, "**substantial completion**" shall mean that date on which the exterior walls and roof have been completed. Covered Parcels purchased for future development or expansion shall be maintained in a weed-free condition and free from rubbish and refuse at all times.

6. Utilities; Antennae; Roof Equipment. Except as otherwise explicitly approved in writing by Declarant, all utilities shall be placed underground, and no outside antennae, aerial wires, towers or other equipment shall be installed on any Covered Parcel unless all such equipment shall be concealed from view from neighboring properties and streets for a distance of 300 feet from such equipment (viewed from such distance at an elevation of ten (10) feet above ground level) by landscaping, roof design or other adequate means approved in writing by Declarant. Each Owner shall be responsible, at its sole expense, for designing, processing, developing, installing, improving, maintaining, repairing and replacing all lines, valves, connections and other facilities and equipment between the Common Utilities and facilities and equipment located within or serving such Owner's Covered Parcel.

7. Nuisances. No Covered Parcel User shall create a nuisance to any other Covered Parcel or its Covered Parcel Users. No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any Covered Parcel (except in trash receptacles emptied at least weekly and otherwise maintained in accordance with applicable laws and regulations), and no odors, fumes, dust or vapor shall be permitted to arise therefrom so as to render any portion thereof unsanitary, unsightly, offensive or detrimental to any Covered Parcel or Covered Parcel User. No use or operation shall be conducted which is noxious, objectionable, unsightly or detrimental to others in any manner and due to any cause, including, but not limited to, vibration, sound (whether due to volume, intermittence, beat, frequency

shrillness or otherwise), electro-mechanical disturbances, electro-magnetic disturbances, radiation, air or water pollution, dust or emission of odorous toxic and non-toxic matters.

8. Property Maintenance; Repair of Buildings. Each Covered Parcel, whether occupied or unoccupied, and all improvements placed thereon shall at all times be maintained in such a manner as to prevent their becoming unsightly by reason of unattractive growth or the accumulation of rubbish or debris thereon. No improvement shall be permitted by its owner, lessee, licensee or occupant to deteriorate or fall into disrepair, and each such improvement shall at all times be kept in good condition and repair and adequately painted or otherwise finished.

9. Compliance With Laws. All Covered Parcel Users shall comply with all federal, state and local laws and regulations applicable to the Covered Parcels, all construction on or development of the Covered Parcels, all businesses conducted on the Covered Parcels and all operation, maintenance and use of the Covered Parcels, including but not limited to, all laws, rules, regulations, orders and decrees relating to industrial hygiene, hazardous or toxic materials, health or safety.

B. Special Restrictions on Use of Industrial Tract. Declarant hereby covenants and declares for the benefit of the Retail Tract that the Industrial Tract (excluding the Western Frontage Property, as defined below) shall be held, leased and conveyed subject to the restrictions and covenants, which are hereby declared to be for the benefit of all the Retail Tract, that no portion of the Industrial Tract (excluding the Western Frontage Property) shall be used for any retail use (including restaurant use exeept food facilities provided by a Covered Parcel User for the benefit of its employees) in excess of 3,000 square feet by a single operator; provided, however, that after the date three (3) years after the recordation of this Declaration, such property also may be used for the following secondary retail uses: bowling alleys, roller or ice skating rinks and health or fitness establishments.

C. Special Restrictions on Use of Western Frontage Property. Declarant hereby covenants and declares for the benefit of the Retail Tract that the portion of the Industrial Tract depicted on Exhibit "F" attached hereto as the "**Western Frontage Property**" shall be held, leased and conveyed subject to the restrictions and covenants, which are hereby declared to be for the benefit of the Retail Tract, that no portion of the Western Frontage Property shall be used for (i) any restaurant or any store engaged in the retail sale of consumer goods, in each case in excess of 7,500 square feet by a single operator, and (ii) any fast-food restaurant before the date three (3) years after the recordation of this Declaration.

D. Special Restrictions on Use of Retail Tract. Declarant hereby covenants and declares that the Retail Tract shall be held, leased and conveyed subject to the following restrictions and covenants, which are hereby declared to be for the benefit of Declarant and such of the Covered Parcels as Declarant may declare by recorded instrument from time to time:

1. Initial Development. All portions of the Retail Tract shall be developed initially as a first-class shopping center including retail users such as movie theaters and other entertainment facilities, restaurants and stores engaged in the sale of goods to consumers; provided, however, that such restriction for initial retail development shall not prohibit portions of the Retail Tract from being used for a car dealership or one or more hotels in accordance with Section III.A.1. above and other applicable provisions of this Declaration.

2. Intensity of Development. The Retail Tract shall not be used for any greater intensity of development than the Permitted Intensity (as defined below) in terms of floor area ratio, total square footage and improvements, traffic generation or other ordinary measures of intensity of development, if any such increased intensity will have the effect of restricting the development of any portion of the Industrial Tract or subjecting such development to greater exactions, impositions or other conditions to development than otherwise would be the case. For the purpose of this Declaration, the "**Permitted Intensity**" shall mean no more than 310,000 square feet of building improvements containing a maximum of 20,000 square feet of restaurant space and 2,750 theater seats.

E. Insurance. Each Covered Parcel Owner shall maintain with a financially sound company or companies, licensed to do business in California, commercial general liability insurance insuring against bodily injury, property damage and personal injury, with coverage limits of at least $2,000,000, covering the entries or other activities upon the Easement Areas by or on behalf of such Covered Parcel Owner or its Covered Parcel Users. The form and content of all such insurance policies shall be reasonably acceptable to Declarant. If a Covered Parcel Owner fails to obtain and maintain the insurance required by this paragraph, Declarant or any other Covered Parcel Owner, after notice to the breaching Covered Parcel Owner, may purchase such insurance on behalf and for the account of the breaching Covered Parcel Owner, and the breaching Covered Parcel Owner shall reimburse the party purchasing the insurance pursuant to Section II.C.7 above reasonable evidence of the cost incurred. In addition, each Covered Parcel Owner shall be liable to all other Covered Parcel Owners for any loss or cost resulting from or in connection with any failure to obtain and maintain insurance as required under this paragraph.

F. Mutual Indemnification and Repair. The Covered Parcel Owner of each Covered Parcel shall keep the Easement Areas free from any liens or claims arising out of the use or activities upon the Easement Areas by Covered Parcel Users of such Covered Parcel. The Covered Parcel Owner of each Covered Parcel shall at its sole expense indemnify the other Covered Parcel Owners against any damages to persons or property caused by any such liens or claims and any negligent or wrongful use of, or activities upon, the Easement Areas by any Covered Parcel Users of such Covered Parcel, and shall repair and replace any improvements or landscaping located now or hereafter on any Covered Parcel to the extent damaged by any negligent or wrongful act of a Covered Parcel User of such Covered Parcel. In addition, Declarant and its successors and assigns shall keep the Retail Tract free from any liens or claims arising out of the use or activities upon the Retail Tract in connection with the Remediation Easements, and shall indemnify each Retail Parcel Owner against any damages to persons or property caused by any such liens or claims and any negligent or wrongful use of, or activities upon, the Retail Tract in connection with the Remediation Easements, and shall repair and replace any improvements or landscaping located now or hereafter on the Retail Tract to the extent damaged by any such negligent or wrongful act.

IV. ENFORCEMENT AND REMEDIES.

The provisions of this Declaration, and the easements, conditions, covenants and restrictions declared, established, and created herein may be enforced by proceedings at law or in equity, including without limitation:

A. Right of Action. All actions at law for damages, and/or all equitable remedies shall be available to redress or to prevent violation of any provision, easement, covenant, condition, or restriction of this Declaration. Notwithstanding the foregoing, in no event shall any breach of this Declaration give rise to an action for damages for loss of use of all or any portion of a Covered Parcel as to any violation as to which the cure is prevented or delayed due to acts of God, governmental moratoria or governmental failure to act within specific time periods prescribed by applicable law, flooding, strikes or other causes beyond the reasonable control of the violating party.

B. Nuisance. To the full extent permitted by applicable law, the result of every act or omission whereby any provision, easement, covenant, condition, or restriction of this Declaration is violated, in whole or in part, is hereby declared to be and does constitute a nuisance, and every remedy allowed by law or equity against a private nuisance shall be available to redress or prevent every act or omission with such a result.

C. Nonpayment of Proportionate Share of Reimbursable Costs; Remedies. Payment by an Obligor Owner of any amount required under this Declaration may be enforced by proceedings at law or in equity, including without limitation commencement and maintenance of a suit at law against the Obligor Owner. Any judgment rendered in any such action shall include the amount owing hereunder, together with the late charges provided for in Section II.C.7 of this Declaration, costs of collection, court costs, and reasonable attorneys' fees in such amount as the court may adjudge.

D. Lien Remedy. In addition to any other rights or remedies available at law or in equity, should an Obligor Owner fail to pay any amount required under this Declaration, the Obligee Owner may deliver to the Obligor Owner a notice of default and election to sell the Covered Parcel owned by the Obligor Owner and all improvements thereon (the "**Liened Parcel**"), the intention being that the obligation of each Covered Parcel Owner to make payments as required pursuant to this Declaration shall be secured by the lien of this Declaration. After giving of such notice, unless all amounts legally due and owing to the Obligee Owner have been paid and provided that all of the requirements of Sections 2920 et seq. of the California Civil Code and of all other applicable statutes have been satisfied, the Obligee Owner, or such trustee as the Obligee Owner may appoint (a "**Trustee**"), may cause the Liened Parcel to be sold at such time and place as may be fixed in said notice of sale or at such time and place to which the sale may be postponed as hereinafter provided without additional notice, either as a whole or in separate parcels, and in such order as the Obligee Owner or its Trustee alone may determine, at public auction to the highest bidder for cash in lawful money of the United States at the time of sale, or upon such other terms as the Obligee Owner or its Trustee may consider advisable. The Obligor Owner shall have no right to direct or determine whether the Liened Parcel shall be sold as a whole or in separate parcels, or the order of sale of separate parcels or the portion of the Liened Parcel to be sold if only a portion is sold. The Obligee Owner or its Trustee may postpone the sale of the Liened Parcel by public announcement thereof at the time and place of sale and from time to time thereafter by public announcement at the time and place of the preceding postponement. In conducting or postponing any such sale, the Obligee Owner may act through its agents, officers or employees or any other person designated by the Obligee Owner, whether or not such party shall be a licensed auctioneer. At such sale, the Obligee Owner or its Trustee shall cause to be delivered to the buyer or buyers, one or more duly executed deed or deeds conveying the property so sold, subject to all the provisions of this Declaration, but without any covenant or warranty, either express or implied. The recitals in such deed or deeds with regard to any matters of fact shall be conclusive proof of the truthfulness thereof against the buyer at such sale, its successors and assigns, and all other persons. Any person or entity, including without limitation the Obligee Owner, may bid in or purchase at such sale. The Obligor Owner hereby agrees to surrender, immediately and without demand, possession of said property to the buyer at such sale. The proceeds of such sale shall be applied as follows: first, to the expenses of sale incurred by the Obligee Owner or its Trustee, including reasonable attorneys' fees; next, to the sums secured hereby; and finally to the person or persons legally entitled thereto. As an alternative to the foregoing, the Obligee Owner may elect to foreclose the lien secured hereby by judicial action, in which event the Obligor Owner shall be liable for the expenses incurred by the Obligee Owner in connection therewith, including reasonable attorneys' fees. To the maximum extent permitted by law, each Obligor Owner hereby waives any applicable statute of limitations, provided that the lien created herein shall expire twenty-five (25) years following the date of recordation of this Declaration. Notwithstanding the foregoing, if the Obligor Owner's default is timely cured in accordance with this Agreement or applicable law, the Obligee Owner shall, upon request by the Obligor Owner, record at the Obligor Owner's expense an appropriate notice of rescission in accordance with the applicable provisions of the California Civil Code. No failure by the Obligee Owner to exercise its rights set forth herein shall constitute a waiver of such rights at any later time while this Declaration is still in effect, and so long as any violation may continue.

E. Enforcement of Obligations. If the Declarant or a Covered Parcel Owner fails to perform an obligation as required pursuant to this Declaration, any affected Covered Parcel Owner may give notice of such default to the defaulting party. Upon its receipt of notice, the defaulting party shall have twenty (20) days to cure the default, provided that if the default reasonably cannot be cured within twenty (20) days, the defaulting party shall have such additional time as may be reasonably necessary to cure the default provided that the defaulting party commences the cure within the twenty (20) day period and thereafter diligently pursues the cure to completion. If the defaulting party fails to cure its default pursuant to the preceding provisions of this paragraph, the Covered Parcel Owner who gave the notice of default may perform all acts reasonably necessary to cure the default, provided such Covered Parcel Owner gives five (5) days' written notice to the defaulting party prior to the commencement of the cure. Upon completion of the cure, the defaulting party shall reimburse such Covered Parcel Owner who cures the default for all costs and expenses reasonably incurred in curing the defaulting party's default, as provided in Section II.C.7.

V. TERM

This Declaration, every provision hereof and every covenant, condition and restriction contained herein shall run with the land and shall be binding upon all persons owning any portion of the Property and their successors and assigns for a period of fifty (50) years (the "**Primary Term**") from and after the date this Declaration is recorded, unless terminated or amended. After the expiration of the Primary Term, this Declaration shall automatically be extended for an additional ten (10) year period ("**Extension Term**") and for successive periods of the Extension Term thereafter, unless terminated or amended. After the expiration of the Primary Term, the owners of a majority of the Property (based on acreage) may execute and acknowledge an agreement in writing terminating or revising the terms of this Declaration and file the same in the Official Records of the County, and then thereafter the easements, covenants, conditions and restrictions set forth in this Declaration shall be null, void and of no further force and effect, or shall be modified as such recorded instrument may direct.

VI. AMENDMENT

This Declaration may be amended, but not terminated, or any provision hereof may be modified, amended or waived, at any time by written consent of parties owning at least eighty-five percent (85%) of the Property (based on acreage). Any such modification, amendment or waiver shall be effective immediately upon the recording of a proper instrument in writing, executed and acknowledged by the parties owning at least eighty-five percent (85%) of the Property (based on acreage) and duly recorded in the Official Records of the County. Notwithstanding the foregoing provisions of this Article VI, (i) the modification of any easement set forth in this Declaration shall not be effective without the approval of the Covered Parcel Owner of each Covered Parcel which is benefitted by such easement, (ii) any modification that would make any restriction against a Covered Parcel more restrictive or more onerous shall not be effective without the approval of the Covered Parcel Owner of such Covered Parcel, (iii) any easement which benefits one or more particular parcels may be modified by written agreement of the Parcel Owners of each of the benefitted and burdened parcels, (iv) the restrictions set forth in Section III.A.1, III.A.7, III.A.8, III.A.9 and III.D may not be amended, and (v) the restrictions set forth in Section III.B and III.C may be amended only upon written agreement of all of the Retail Parcel Owners.

VII. MISCELLANEOUS

A. Easements Appurtenant; Covenants, Conditions and Restrictions to Run with the Property. The easements, rights of way, covenants, conditions and restrictions declared herein are interests in the Property, rights, and obligations as provided herein, which shall be appurtenant to and shall run with the Property, and the benefits and burdens of which shall bind and benefit all parties having or acquiring any right, title or interest in all or any portion of the Property. Upon recordation of this Declaration, every person or entity that now or hereafter owns or acquires any right, title or interest in or to all or any portion of the Property is and shall be conclusively deemed to have consented and agreed to every provision of this Declaration, and every easement, covenant, condition, and restriction created by this Declaration, whether or not any reference to this Declaration is contained in the instrument by which such person or entity acquired such interest in the Property. This Declaration is made for the direct, mutual and reciprocal benefit of the Covered Parcels and shall create reciprocal rights and obligations among as set forth in this Declaration and subject to each and every provision of this Declaration and to the rights and powers of Declarant hereunder.

B. Priority of Mortgage Lien and Mortgagee's Protection. Notwithstanding any provision of this Declaration, no breach of the easements, covenants, conditions, or restrictions, nor the enforcement of any provisions contained in this Declaration shall affect, impair, or defeat the lien or charge of any duly recorded mortgage or deed of trust encumbering any Covered Parcel, or affect, impair, or defeat the interest of the mortgagee, or its successor by merger or acquisition, or any entity in which the mortgagee or such successor has a substantial direct or indirect ownership interest, or any entity which has a substantial direct or indirect ownership interest in the mortgagee (the mortgagee and such parties are collectively referred to as the "**Mortgagee**") pursuant to such a mortgage, provided that such mortgage is made in good faith and for value. Except as provided in this paragraph, all easements,

covenants, conditions, restrictions, and provisions of this Declaration shall be binding upon and effective against any owners whose title is derived through foreclosure, deed in lieu of foreclosure, or trustee's sale during the period of their ownership, provided that no indemnity obligation under this Declaration shall bind or be effective against the Mortgagee or its first successor in interest or the grantee under a foreclosure, deed in lieu of foreclosure, or a trustee's sale conducted in connection with any Mortgagee's security interest a Covered Parcel.

C. Miscellaneous and Interpretive Provisions.

1. Cumulative Remedies. All rights, options and remedies declared herein are cumulative and no one of them shall be exclusive of any other. The Declaration may be enforced by pursuit of any one or all of the rights, options, and remedies available pursuant to this Declaration, or any other remedy or relief provided by law.

2. Notices. Any notice, request, demand, consent, approval, payment, or other communication required or permitted to be made hereunder or by law shall validly be given or made only if in writing and delivered in person to an officer or duly authorized representative of the addressee, or deposited in the United States mail, duly certified or registered (return receipt requested), postage prepaid, and directed to the addressee for whom intended at an address furnished by addressee for the purpose of such communications. If no address is provided, communications may be delivered to the principal office or place of business of the addressee.

3. Attorneys' Fees.--In the event of any controversy, claim or dispute relating to this Declaration or the breach thereof, the prevailing party shall be entitled to recover from the losing party expenses, attorneys' fees and costs actually and reasonably incurred.

4. Captions. Captions used in this Declaration are for convenience only, and do not modify, alter, or add to the terms in the Declaration.

5. Severability. If any term, provision, easement, covenant or condition of this Declaration is held to be invalid, void or otherwise unenforceable, to any extent, by any court of competent jurisdiction, the remainder of this Declaration shall not be affected thereby, and each term, provision, easement, covenant, condition, or restriction of this Declaration shall be valid and enforceable to the fullest extent permitted by law.

6. Governing Law. This Declaration shall be construed and enforced in accordance with the laws of the State of California.

7. Incorporation of Exhibits. All Exhibits attached hereto are hereby incorporated into and made a part of this Declaration. All references in this Declaration to Exhibits are references to Exhibits of this Declaration, unless otherwise specified.

8. Gender and Number. In this Declaration, unless the context requires otherwise, the masculine, feminine, and neuter genders, and the singular and plural shall be deemed to include one another, as appropriate.

9. Waiver. The waiver of any breach of any provision, easement, covenant, condition or restriction of this Declaration by any person or entity shall not be deemed to be a waiver of such right or of any preceding or subsequent breach of the same or any other provision, easement, covenant, condition or restriction.

IN WITNESS WHEREOF, Declarant has executed this instrument as of the day and year first above written.

BOEING REALTY CORPORATION, a California corporation (formerly known as McDonnell Douglas Realty Company)

By:_____

CONSENT AND AGREEMENT

Vestar Development Co., an Arizona corporation ("**Buyer**"), hereby acknowledges that he has agreed to acquire the Retail Tract (as described in Recital A of this Declaration) from Declarant pursuant to that certain agreement dated March 31, 1997, as amended. During the period that all or any portion of the Retail Tract is owned by Buyer or any party in which Buyer or any party controlling, controlled by or under common control with Buyer has a voting or ownership interest (each, an "**Affiliate**"), Buyer hereby consents and agrees to be personally bound by all of the easements, rights, covenants, conditions, restrictions, liens and charges burdening the Retail Tract and benefitting the other portions of the Property as declared in this Declaration; provided, that Buyer's obligations pertaining to any particular portion of the Retail Tract shall terminate (except as to obligations accruing prior to such termination) at the time that such portion of the Retail Tract is no longer owned by Buyer or its Affiliate. Buyer agrees that all easements are appurtenant and all rights, covenants, conditions, restrictions, liens, and charges run with the Property, as set forth in this Declaration.

IN WITNESS WHEREOF, Buyer has executed this Consent and Agreement as of the day and year first above written.

"Buyer"

VESTAR DEVELOPMENT CO., an Arizona corporation

By: _____

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, _____, a notary public in and for said State, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____ (Seal)

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, _____, a notary public in and for said State, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT "A"
TO C C & R's

DEPICTION OF COVERED PARCELS

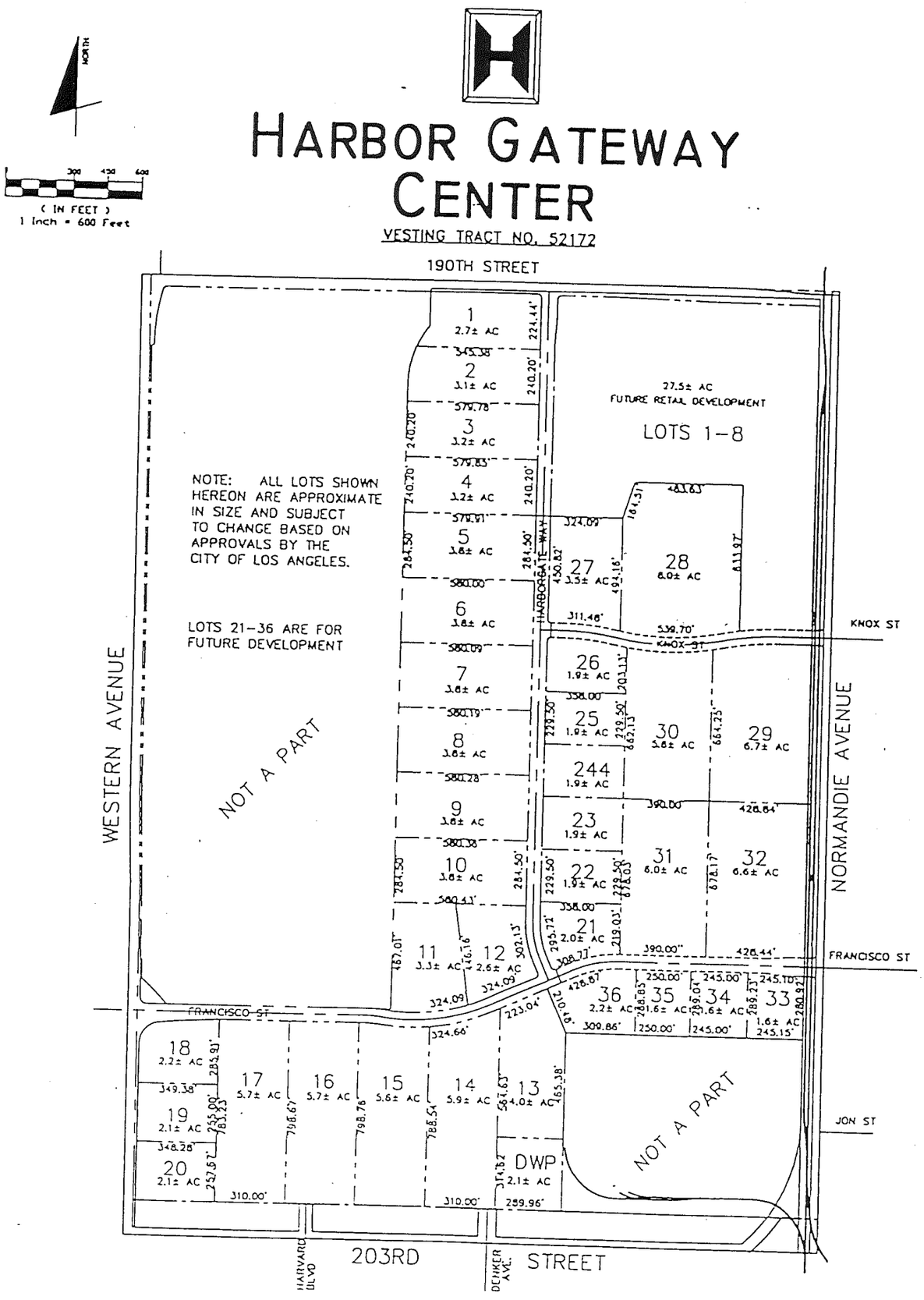


EXHIBIT "B"
HARBORGATE WAY ACCESS EASEMENT

PROPOSED HARBORGATE WAY
TEMPORARY AUTONATION
TRUCK ACCESS EASEMENT

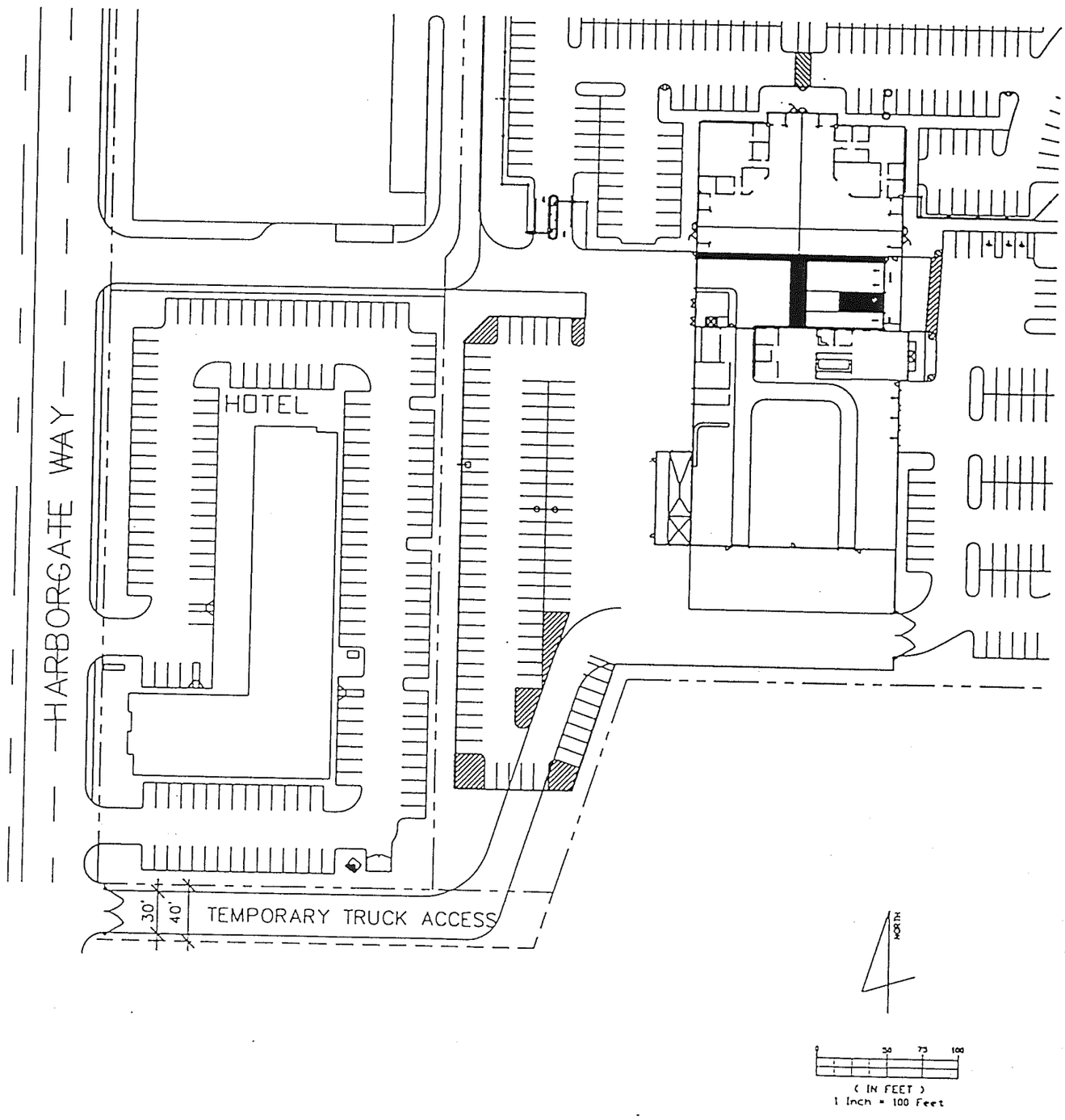


EXHIBIT "B-1"

PERMANENT ACCESS EASEMENT

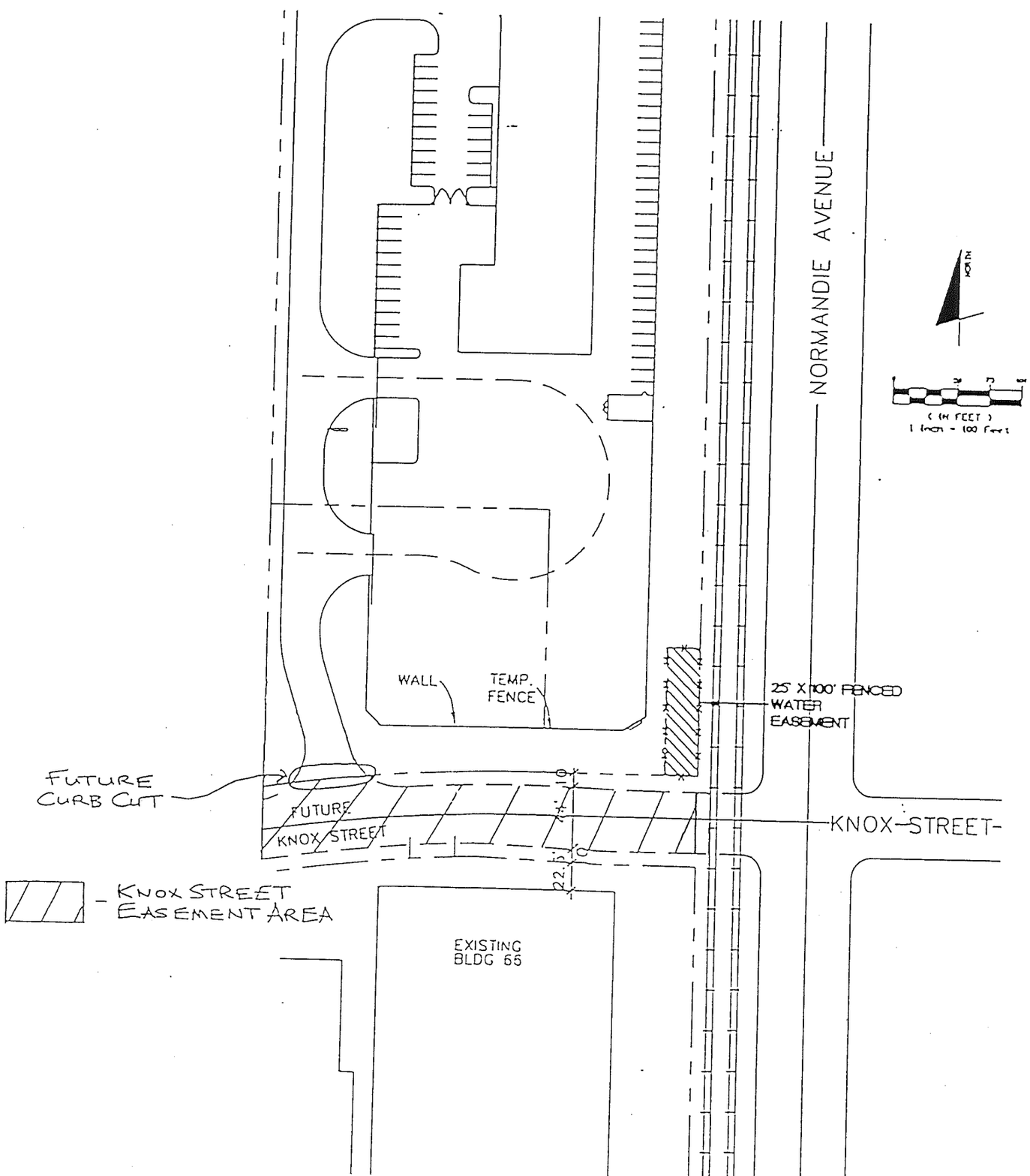


EXHIBIT "C"
RISER EASEMENT AREAS

GAS AND WATER EASEMENTS
TRACT NO. 52172-01

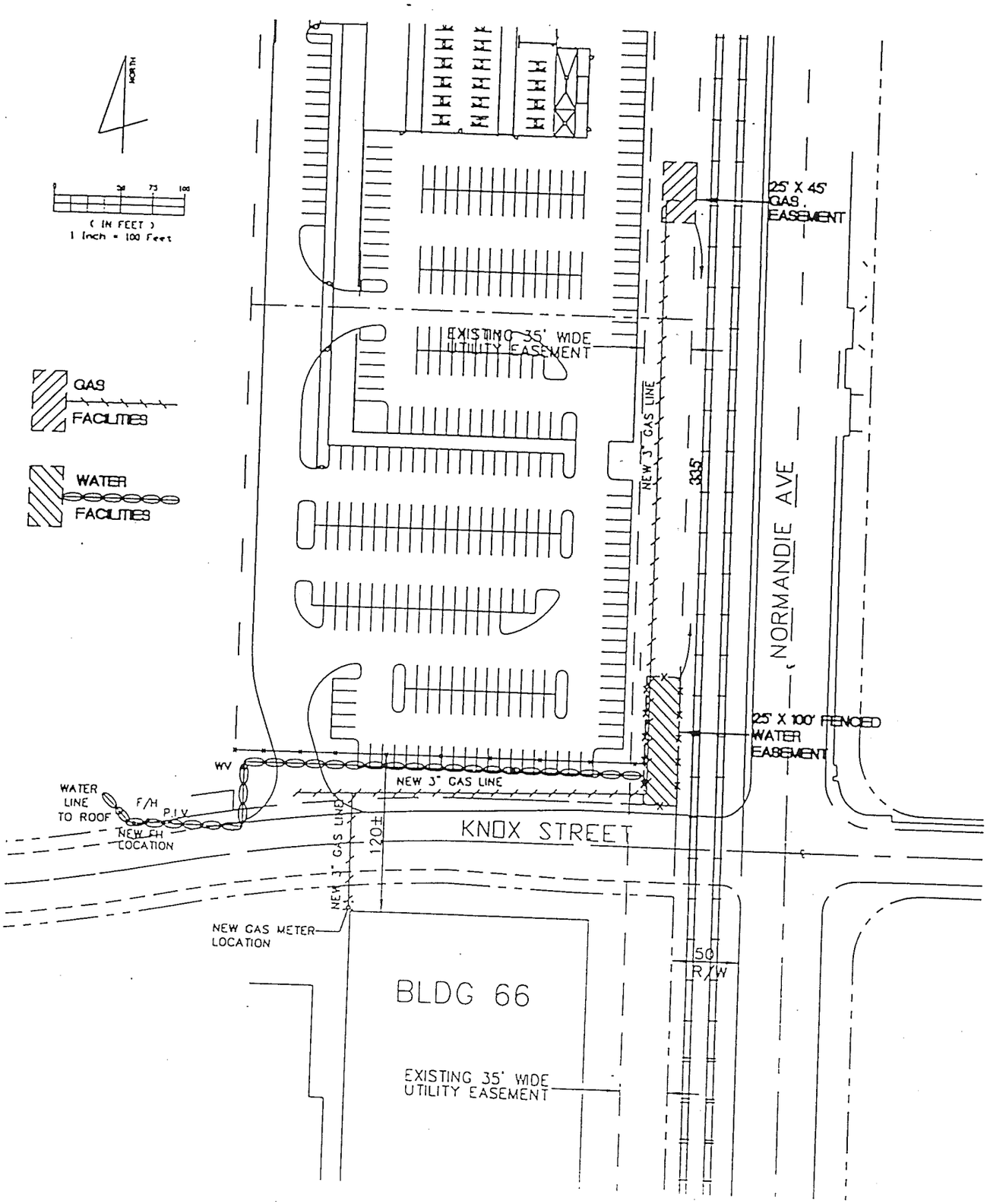


EXHIBIT "C-1"
SURFACE AND PIPELINE EASEMENT AREAS

STORM DRAIN AND SEWER EASEMENTS
TRACT NO. 52172-01

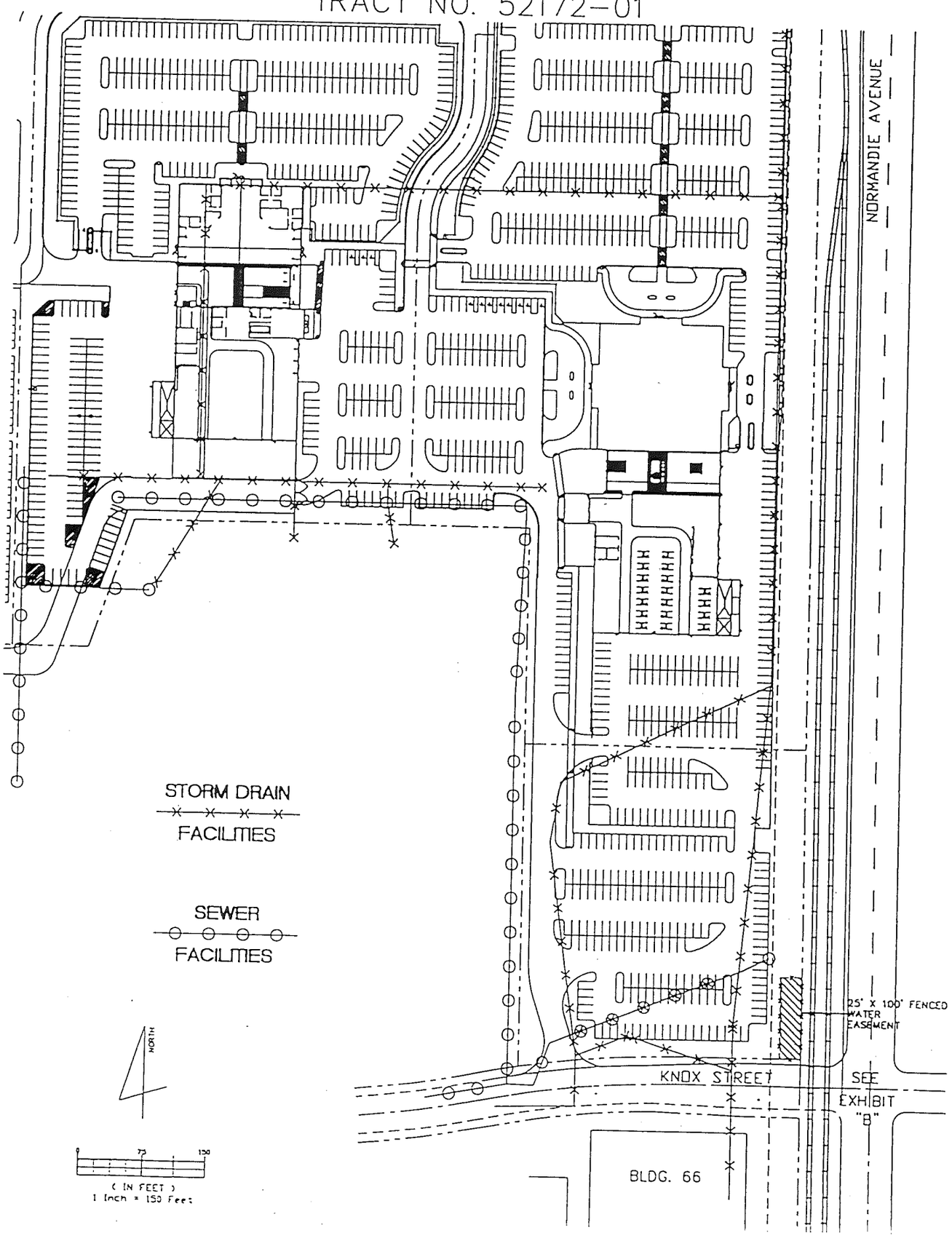
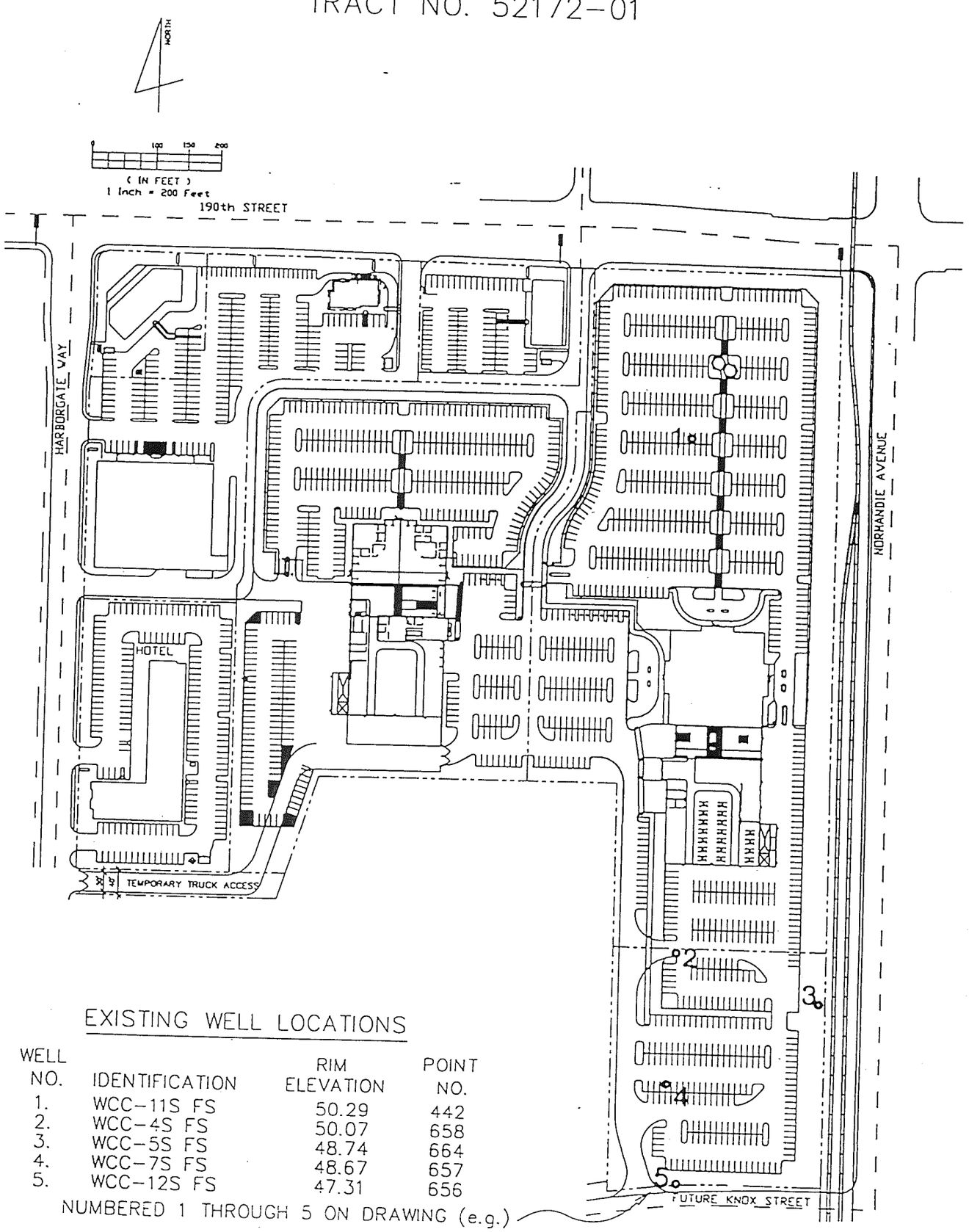


EXHIBIT "D"
EXISTING WELL LOCATIONS

27.5 ACRE VESTAR SITE WITH ALL MONITOR WELLS
TRACT NO. 52172-01



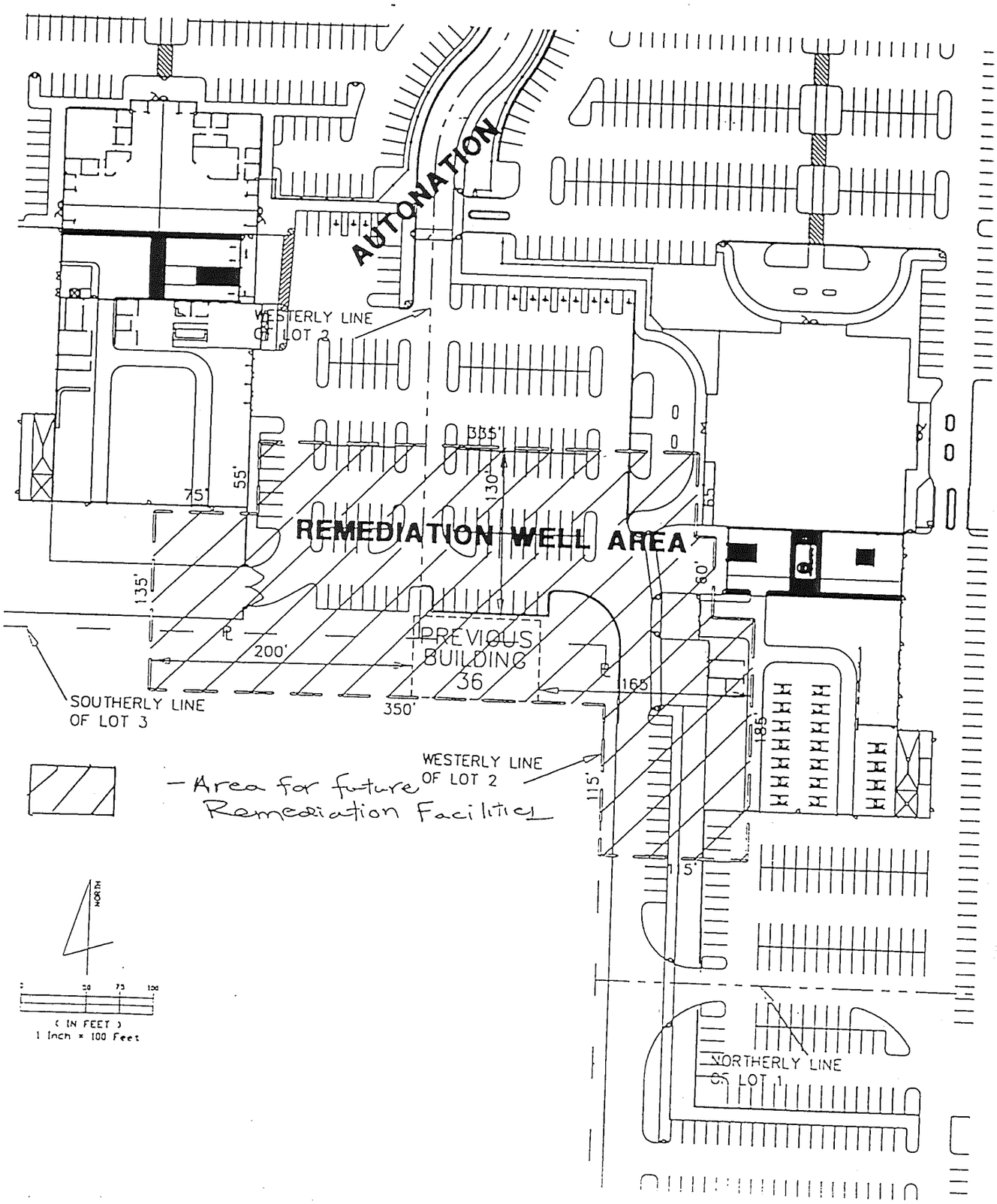
EXISTING WELL LOCATIONS

WELL NO.	IDENTIFICATION	RIM ELEVATION	POINT NO.
1.	WCC-11S FS	50.29	442
2.	WCC-4S FS	50.07	658
3.	WCC-5S FS	48.74	664
4.	WCC-7S FS	48.67	657
5.	WCC-12S FS	47.31	656

NUMBERED 1 THROUGH 5 ON DRAWING (e.g.)

EXHIBIT "D-1"
AREA FOR FUTURE REMEDIATION FACILITIES

BUILDING 36 REMEDIATION WELL AREA
VESTAR DEVELOPMENT
TRACT NO. 52172-01

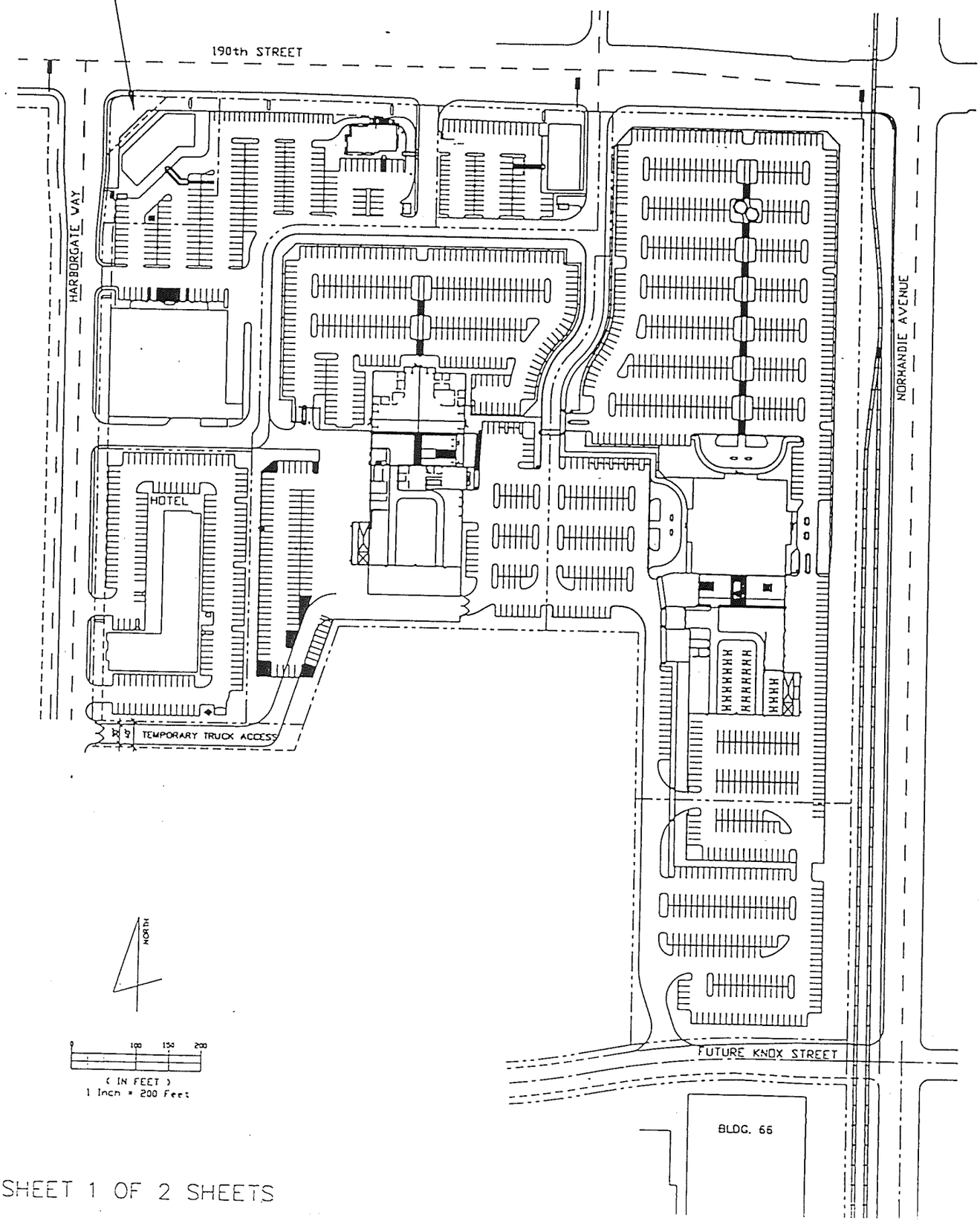


- Area for future Remediation Facilities

EXHIBIT "E"
SIGNAGE EASEMENT AREA

65'X65'
LANDSCAPE AND
SIGN EASEMENT

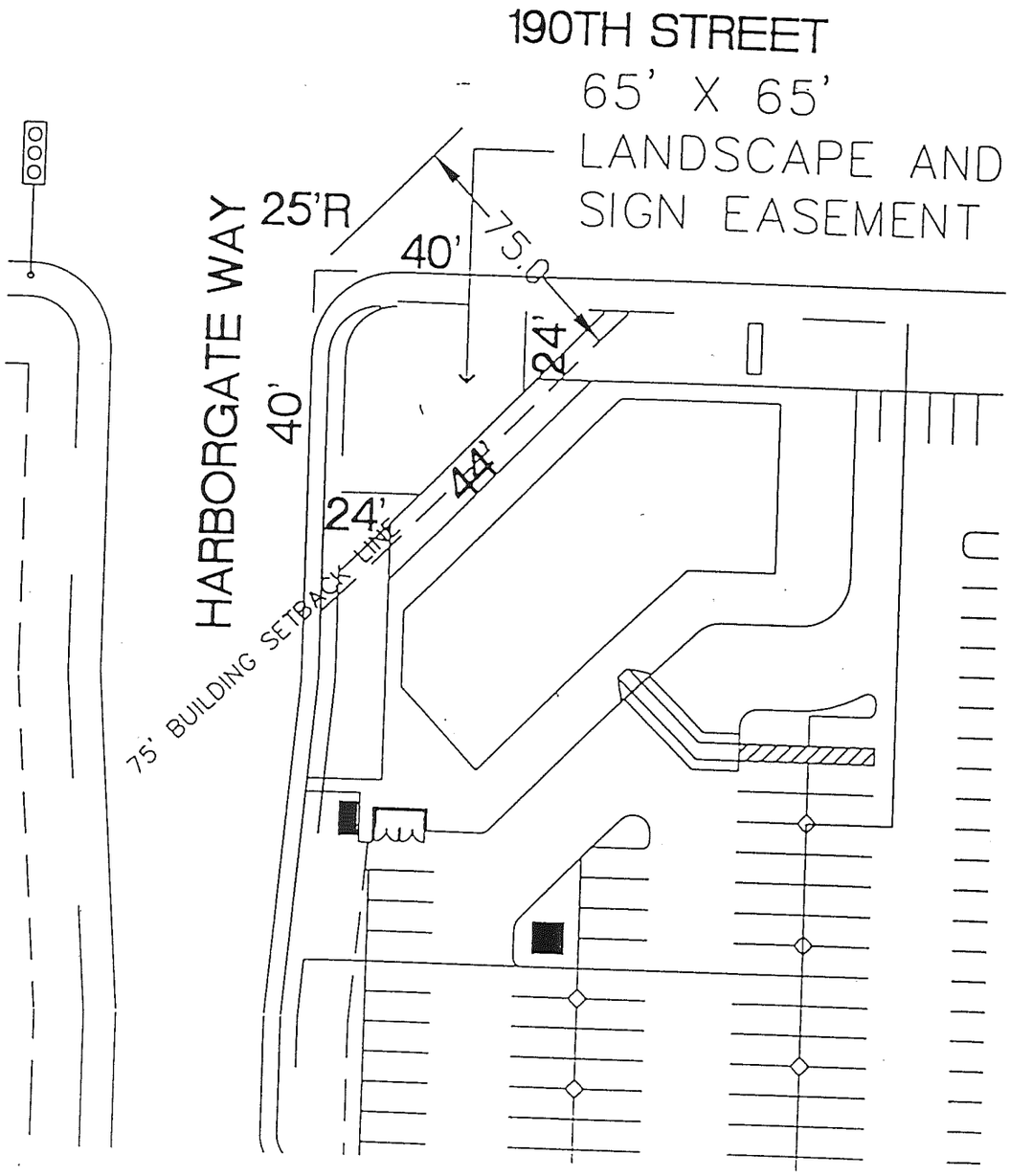
LANDSCAPE AND SIGN EASEMENT
TRACT NO. 52172-01

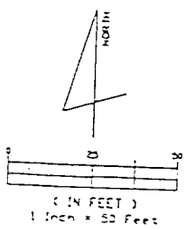


SHEET 1 OF 2 SHEETS

EXHIBIT "E" (continued)
DETAIL OF SIGNAGE EASEMENT AREA

LANDSCAPE AND SIGN EASEMENT
TRACT NO. 52172-01





SHEET 2 OF 2 SHEETS

EXHIBIT "F"

DEPICTION OF WESTERN FRONTAGE PROPERTY

EXHIBIT "10"

WHEN RECORDED, MAIL TO:

BOEING REALTY CORPORATION
4060 Lakewood Boulevard, 6th Floor
Long Beach, California 90808-1700
Attn: S. Mario Stavale

(Space Above Line for Recorder's Use Only)

DECLARATION OF RESTRICTIVE COVENANTS

This Declaration of Restrictive Covenants is made as of May ___, 1998 by BOEING REALTY CORPORATION, a California corporation (formerly known as McDonnell Douglas Realty Company) ("**Declarant**") pertaining to the approximately 170-acre tract described as Parcels 1 through 44 of Tract Map No. 52172 in the City of Los Angeles, as filed in Book ___, Pages ___ through ___, inclusive of Miscellaneous Maps, in the Official Records of the County of Los Angeles, State of California (the "**Property**").

Declarant hereby declares, for itself and all successors and assigns in all or any portion of the Property, that the Property shall be, sold, leased and conveyed subject to the following covenants, conditions and restrictions in perpetuity:

(i) Development of the Property shall be limited to commercial and industrial uses;

(ii) The Property shall not be used for agricultural purposes;

(iii) No drinking water production wells shall be installed on the Property;

(iv) No portion of the Property shall be used for residential purposes, hospitals for humans, health care facilities, schools for persons under 21 years of age, day-care centers for children (except those offered as a service in connection with a hotel, motel or temporary lodging facility) or any permanently occupied human habitation, including hotels and motels which are used as permanent residences (but not including, and instead permitting, hotels, motels and temporary lodging facilities which allow for temporary or extended stays).

The covenants, conditions and restrictions declared herein are interests in the Property which shall be appurtenant to and shall run with the Property, and the benefits and burdens of which shall bind and benefit all parties having or acquiring any right, title or interest in all or any portion of the Property. Upon recordation of this Declaration, every person or entity that now or hereafter owns or acquires any right, title or interest in or to all or any portion of the Property is and shall be conclusively deemed to have consented and agreed to every provision of this Declaration and every covenant, condition, and restriction created by this Declaration, whether or not any reference to this Declaration is contained in the instrument by which such person or entity acquired such interest in the Property. This Declaration is made for the direct, mutual and reciprocal benefit of all portions of the Property and shall create reciprocal rights and obligations as set forth in this Declaration.

Notwithstanding any provision of this Declaration, no breach of the covenants, conditions or restrictions, nor the enforcement of any provisions contained in this Declaration shall affect, impair, or defeat the lien or charge of any duly recorded mortgage or deed of

trust encumbering any portion on the Property, or affect, impair, or defeat the interest of the mortgagee, or its successor by merger or acquisition, or any entity in which the mortgagee or such successor has a substantial direct or indirect ownership interest, or any entity which has a substantial direct or indirect ownership interest in the mortgagee (the mortgagee and such parties are collectively referred to as the "**Mortgagee**") pursuant to such a mortgage, provided that such mortgage is made in good faith and for value. Except as provided in this paragraph, all covenants, conditions, restrictions, and provisions of this Declaration shall be binding upon and effective against any owners whose title is derived through foreclosure, deed in lieu of foreclosure, or trustee's sale during the period of their ownership, provided that no indemnity obligation under this Declaration shall bind or be effective against the Mortgagee or its first successor in interest or the grantee under a foreclosure, deed in lieu of foreclosure, or a trustee's sale conducted in connection with any Mortgagee's security interest in the Property.

This Declaration may be amended or terminated, or any provisions hereof modified or waived, only upon the prior written consent of (i) the Los Angeles Regional Water Quality Control Board ("**Water Board**") (or its successor or designee from time to time having primary jurisdiction as "lead agency" over the environmental condition of the Property) and (ii) the party owning the parcel as to which such amendment, termination, modification or waiver will apply and (iii) parties owning a majority of the Property (based on acreage). Any such termination, amendment, modification or waiver shall be effective upon the recording in the Official Records of Los Angeles County of an appropriate instrument in writing, executed and acknowledged by such majority of owners of the Property and approved by the Water Board (or such successor or designee).

IN WITNESS WHEREOF, Declarant has executed this instrument as of the date and year first written above.

BOEING REALTY CORPORATION, a California corporation (formerly known as McDonnell Douglas Realty Company)

By: _____

EXHIBIT "11"
LEASED PARCEL

BOEING TEMPORARY LOADING AREA
BUILDING NO. 66

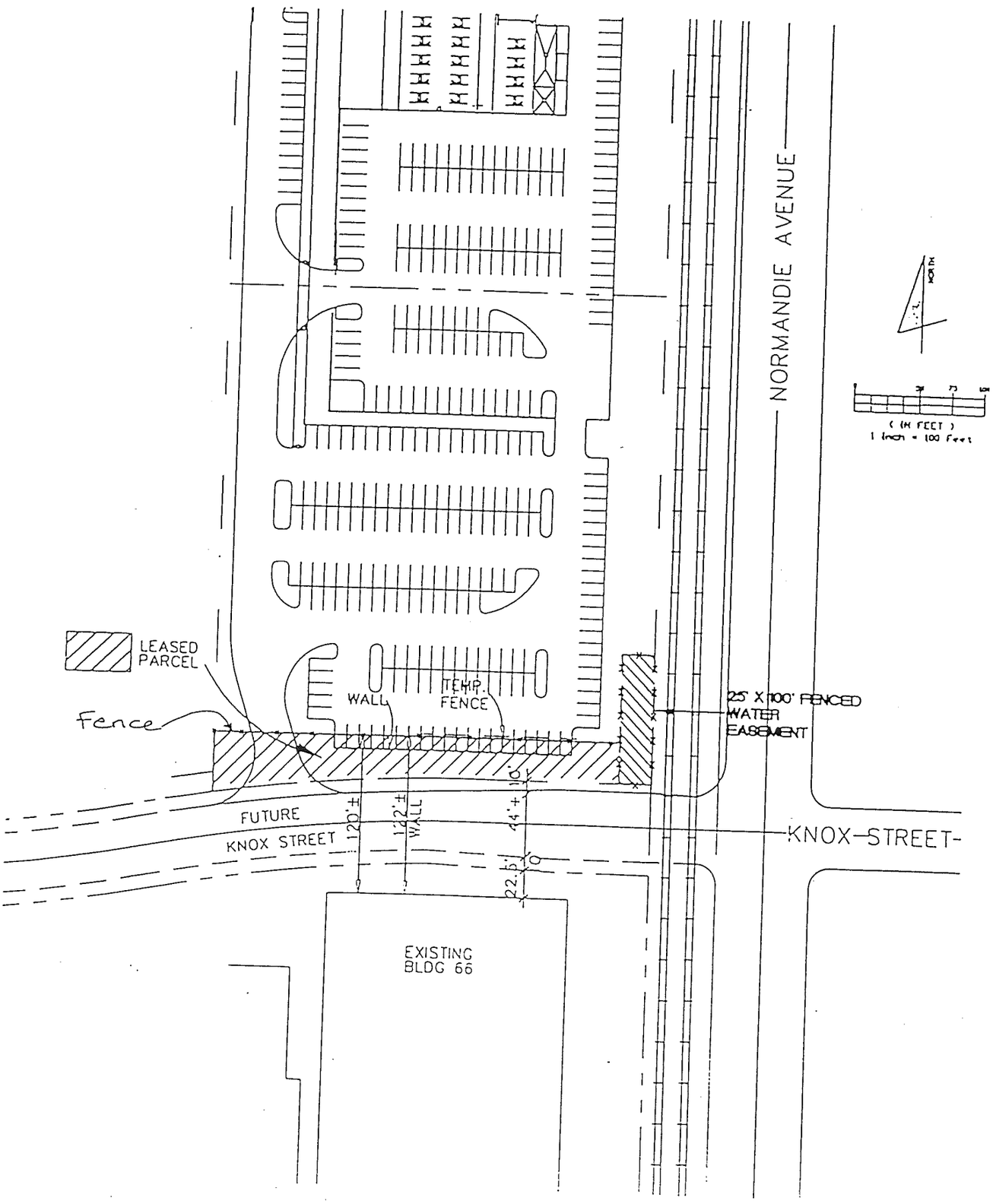


EXHIBIT "12"

EDA FORMS

[See Following Pages]

MB&A

Via Fax and Regular Mail
December 22, 1997

Mr. Tom Overturf
Director of Development
BOEING REALTY CO.
4060 Lakewood Boulevard, 6th Floor
Long Beach, California 90808

RE: EDA Forms to be Completed by Tenants at Harbor Gateway Center

Dear Tom:

The EDA application process requires any tenant with more than 15 employees to complete three fairly simple forms for us to include in the final application. The forms relate to the projected employment by the tenants, a non-relocation form and a civil rights form.

1. Employer's Certificate of Nonrelocation

   The form is used to verify that the employer, if moving a facility, is moving only from within the Los Angeles Basin (referred to as a commuting area). EDA cannot help where the employers are relocation plants from one state or area to another. If the facility is a new facility, not the relocation of a facility, then that statement is made on the form. All employers must complete the nonrelocation form.

2. Assurances of Compliance

   This form is completed only if the employer has 15 or more employees. The form is nothing more than an assurance that the tenant will comply with the federal laws of the land currently in force.

3. Current and Projected Employee Data

   The current and projected employee data on this form is a best guess estimate of the breakout of the jobs expected at the facility. The actual employment is a best efforts endeavor and there are no sanctions if the jobs projected on the form are not achieved when the facility is completed and the jobs are filled.

While it is clear lawyers created these forms, they are fairly simple and straightforward. There are instructions provided and assistance in filling them out can come from EDA or us. The Economic Development Representative from Seattle, David Svenson, has been very helpful over the years in talking directly with the employers to explain the forms and why they are needed. Additionally, we have found that while the real estate staff may be concerned when they see the forms, the human resources staffs are familiar with similar forms and have no problem filling them out for a corporate officer to sign.

Please call Bryon Baron or me if you have any questions, once you have reviewed the forms.

Sincerely,

Mark E. Briggs
President

Attachments
MEB:cc

cc: Allan Kasen
Jay Palchikoff

mcdon\overturf3

EXHIBIT VII-A 6d

EMPLOYER'S CERTIFICATE OF NONRELOCATION

To be executed by employers within project boundaries of projects for construction grant assistance under Title I, IV, IX and section 301(f) of Title III of the Public Works and Economic Development Act of 1965, as amended (PWEDA).

NOTE: The Economic Development Administration's (EDA) regulations at 13 CFR 309.3 prohibit EDA from making construction grants under Titles I, IV, IX and section 301(f) of Title III which will have the effect of assisting an employer in moving jobs from one commuting area to another commuting area. An expansion of an existing business to a new location may be assisted if such an expansion will not cause unemployment in other areas where the business conducts operations.

Items 1-2 are to be completed by Grant Applicants before this form is executed by employers.

1. Grant Applicant Name: _____

   City, State: _____

2. Short Description of Project:

EMPLOYERS ARE TO COMPLETE ITEMS 3-4 AND READ AND UNDERSTAND ITEM 5.

3. This form is being executed by an employer who satisfies one or more of the following conditions: (Check at least one.)
   - [ ] a. It is an employer located or locating, or a nonapplicant owner or operator of an industrial park or site within the Project Boundaries.
   - [ ] b. In the case of construction grants to fund area-wide utility systems it is an employer which uses or is projected to use greater than ten percent (10%) of the total capacity of the utility system as improved by the EDA grant.
   - [ ] c. It is an affiliate, subsidiary, or other entity under direct, indirect, or common control of the foregoing entities.
   - [ ] d. It is an assignee, transferee, lessee, or successor in interest of the foregoing entities.

4. EMPLOYER CERTIFICATION AND ASSURANCE OF COMPLIANCE WITH EDA'S NONRELOCATION REGULATIONS

_____
(Name of Employer)

_____ ( )_____
(Street Address) (Telephone Number)

_____
(City, State, Zip Code)

(hereinafter called the Employer) certifies and assures that, as an Employer on a project involving EDA financial assistance, it will comply with EDA's nonrelocation regulations at 13 CFR 309.3.

These regulations provide that EDA financial assistance will not be used directly or indirectly to assist Employers who transfer one or more jobs from one commuting area to another. A commuting area is that area defined by the distance people normally travel to work in the locality of the project receiving EDA financial assistance. This restriction applies to the transfer of jobs, not of personnel.

The employer certifies and assures that it is not its intention to transfer one or more jobs from one commuting area to another by either (1) closing an operation in one commuting area and opening a new operation in the Project Area, which is in a new commuting area, or (2) curtailing its operations in another location and increasing the number of jobs of the existing operations located in the Project Area, for a period of forty-eight (48) months from the date of approval by EDA of financial grant assistance.

The Employer certifies and assures that it has not located and that it will not locate in the Project Area prior the date of EDA's approval of the proposed financial assistance, for the purpose of avoiding the restrictions of t nonrelocation rule.

The Employer understands that EDA financial assistance is not prohibited for the expansion of an Employ through the creation of a new branch, affiliate, or subsidiary which will not result in a decrease in jobs in any ar where the Employer conducts business operations, and that retail stores which open new outlets in EDA fund facilities are exempt from this requirement provided: (1) the retail store is not a direct recipient of EDA financi assistance; (2) the retail store is not engaged in a pattern of operations which would result in relocating substantial portion of its operations from one multi-state region to another; and, (3) the new outlet opening will n result in a significant reduction of employment in the retail store's entire operation.

The undersigned is authorized to make the foregoing certification and assurances and to execute this Certifica on behalf of the Employer.

Executed this _____ day of _____, 19____

By _____ _____

(Type or Print Name) * (Title of Corporate Officer)

_____

(Signature of Executing Official)

* If the person signing this form is not a corporate officer, the company's corporate counsel must certify in writing that he/she is authorized t bind the company. Written certification should be attached to this form.

5. WARNING

Note: Section 710(a) of the Public Works and Economic Development Act of 1965, as amended, provides that: "Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security, for the purpose of obtaining for himself or for any applicant any financial assistance under section 101, 201, 202, or 403 or any extension thereof by renewal, deferment or action, or otherwise, or the acceptance, release, or substitution of security therefor, or for the purpose of influencing in any way the action of the Secretary, or for the purpose of obtaining money, property, or anything of value, under this Act, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both." EDA's NONRELOCATION REQUIREMENTS AT 13 CFR 309.3(m) PROVIDE THAT: "WHEN EDA DETERMINES THAT THESE REQUIREMENTS HAVE BEEN VIOLATED, EDA WILL TERMINATE FOR CAUSE THE FINANCIAL ASSISTANCE MADE AVAILABLE BY EDA. THE RECIPIENT WILL BE OBLIGATED TO REPAY TO EDA THE FULL AMOUNT OF THAT FINANCIAL ASSISTANCE PLUS INTEREST, FROM THE DATE DETERMINED BY EDA UPON WHICH THE VIOLATION OCCURRED, AT THE NEW YORK BANK PRIME RATE AS REPORTED IN THE *WALL STREET JOURNAL* ON THE DATE OF TERMINATION."

EXHIBIT V-9

ASSURANCES OF COMPLIANCE

with Civil Rights and Other Legal Requirements
(To Be Executed Only By Other Parties)

Applicant's Name:

City, State, Zip:

Brief Description of Project:

The obligations incurred under this form apply only to the facility or property receiving assistance from the Economic Development Administration (EDA). This form applies to Other Parties, who are inclusive of any governmental, public or private agency, institution, organization or other entity, or any individual with a direct or substantial participation in the program or project receiving Federal financial assistance from the EDA, such as contractors, subcontractors, providers of employment, or users of the facility or its services. This form is being executed by an "Other Party" who satisfies one or both of the following conditions (check at least one):

[ ] 1. The Other Party will be creating or saving 15 or more jobs (estimated No. _____) as a result of the EDA assistance, and (check a *or* b)

[ ] (a) is specifically cited in the application for funds as a project beneficiary.

[ ] (b) will locate or is located in an assisted industrial park before EDA has made its final disbursement for the park. (Source 13 CFR 311.3)

[ ] 2. The project serves an industrial park site which is neither owned nor operated by the applicant or recipient of Federal financial assistance. The non-applicant owner(s) and operator(s) are considered "Other Parties." (Source 13 CFR 305.43)

ASSURANCES OF COMPLIANCE WITH THE DEPARTMENT OF COMMERCE AND THE ECONOMIC DEVELOPMENT ADMINISTRATION (EDA) REGULATIONS UNDER TITLE VI OF THE CIVIL RIGHTS ACT OF 1964, SECTION 112 OF PUBLIC LAW 92-65, SECTION 504 OF THE REHABILITATION ACT OF 1973, AND THE AGE DISCRIMINATION ACT OF 1975

_____
(Name of Other Party)

(hereinafter called the "Other Party") assures that, as an Other Party, it will comply with Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d-2000d-4), the requirements imposed by or pursuant to regulations issued for the Department of Commerce and designated as 15 CFR Subtitle A Part 8, and any amendments thereto.

The Other Party agrees to comply with the provisions of Section 112 of Public Law 92-65 (42 U.S.C. 3123), the requirements imposed by or pursuant to the regulations of the EDA promulgated in 13 CFR Part 311 (as explained in the April 1979 EDA *Civil Rights Guidelines*), and any amendments thereto.

The Other Party agrees to comply with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and 15 CFR Part 8b, (Regulations of the Department of Commerce implementing Section 504 of the Rehabilitation Act), and the Age Discrimination Act of 1975 (42 U.S.C. 6101 *et seq.*), 15 CFR Part 20.

Such requirements hold that no person in the United States shall on the ground of race, color, national origin, sex, handicap, or age be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under, any program or activity for which Federal financial assistance has been extended.

In accordance with these assurances and without limiting the above, the Other Party agrees that these assurances shall be binding upon it, its grantees, assignees, transferees, lessees, and successors in interest. These assurances shall also be binding through every modification or amendment to this project.

The Other Party acknowledges that it has received and read the Department of Commerce and the EDA regulations, and that it is aware that if there appears to be a failure or threatened failure to comply with this part, and if the noncompliance or threatened noncompliance cannot be corrected by informal means, compliance with this part may be effected by the suspension or termination of, or refusal to grant or to continue, Federal financial assistance, or by any other means authorized by law.

NOTICE

This form must be executed by an official authorized to make the aforementioned assurances contained herein, with full authority to bind the recipient or other party identified herein. If the recipient or other party is a corporation, this form must be executed by a corporate officer authorized to make such assurances, and the title block must clearly indicate such authority. Assurance forms executed by employees other than corporate officers will not be accepted unless they are accompanied by a separate certification signed by a corporate officer stating the assurer has full authority to bind the recipient or other party identified below. In the case of an individual executing this assurance form as sole owner, *sole owner* must be indicated in the title block. For situations other than those discussed herein, contact the EDA regional office for appropriate acceptance instructions.

ACCEPTANCE OF ASSURANCES OF COMPLIANCE

These assurances are made and accepted for:

Name of Other Party: _____

Address: _____

_____

Telephone Number: ( ) _____

By _____ _____

(Type or Print Name) * (Title of Corporate Officer)

_____ _____

(Signature of Accepting Official) (Date)

* If the person signing this form is not a corporate officer, the company's corporate counsel must certify in writing that he/she is authorized to bind the company. Written certification should be attached to this form.

WARNING

False statements or representations made in connection with this "ASSURANCE OF COMPLIANCE" is a violation of Federal law punishable by a fine of not more than $10,000 or by imprisonment for not more than five years, or both (see 42 U.S.C. 3220; 18 U.S.C. 1001).

FORM ED-612 (REV. 3-83)

U.S. DEPARTMENT OF COMMERCE
ECONOMIC DEVELOPMENT ADMINISTRATION

OMB No. 0610-0003; Approval Expires 12/31/97

CURRENT AND PROJECTED EMPLOYEE DATA

1. Name and address of organization

Organization

No. and Street

City

State Zip Code

2. This report is:

☐ Initial. No Annual Follow-up required Complete only items 1--10.

☐ Initial. Annual Follow-up is required. Complete all items.

☐ Annual Follow-up. Complete only items 1--9.

EDA USE ONLY

Project No:

"Other Party" suffix; OP-

3. Organization is:

☐ EDA Applicant or recipient

☐ EDA "Other Party"; if "Other Party," enter name of EDA Applicant or Recipient.

4. First Impact Date:

5. Fully Operational Date:

Job Categories	SEX	6. Current Permanent Employees A Total Employees	B Black (Not of Hispanic Origin)	C Hispanic	D Asian or Pacific Islander	E American Indian or Alaskan Native	7. New Permanent Jobs F Total Employees	G Black (Not of Hispanic Origin)	H Hispanic	I Asian or Pacific Islander	J American Indian or Alaskan Native	K Targeted by Employment Plan	8. Permanent Jobs To be Saved L Total Employees	M Total Minorities	9. Permanent Employees one Year after First Impact N Total Employees	O Total Minorities	10. Permanent Employees when Fully Operational P Total Employees	Q Total Minorities
Officials and Managers	F																	
	M																	
Professionals	F																	
	M																	
Technicians	F																	
	M																	
Sales Workers	F																	
	M																	
Office and Clerical	F																	
	M																	
Craftsperson (skilled)	F																	
	M																	
Operatives (semi-skilled)	F																	
	M																	
Laborers (unskilled)	F																	
	M																	
Service Work and others	F																	
	M																	
TOTAL	F																	
	M																	
GRAND TOTAL																		

11. Current temporary and part-time employees
Total _____ Minorities _____ Females _____

12. Projected temporary and part-time employees when fully operational
Total _____ Minorities _____ Females _____

13. This form prepared by:

(Type Name and Position) _____ Date _____ ( ) Telephone No.

14. Name of Labor Market Area

		Female	Black (not of Hispanic Origin)	Hispanic	Asian or Pacific Islander	American Indian or Alaskan Native
Labor Force of Area	Total					
Unemployment of Area	Overall Rate: %	%	%	%	%	%

Date and sources of labor market data:

15. Authorized organization official

Type Name and Title _____ Signature _____

If further review or other

EXHIBIT V-7 (Applicant) or EXHIBIT V-8 (Other Party)

BOE-C6-0094824

INSTRUCTIONS FOR FORM ED-612
(Remove before submitting)

A. GENERAL INSTRUCTIONS FOR INITIAL AND FOLLOWUP SUBMISSION

1. Initial Submission Requirements. *EDA Civil Rights Regulations* establish the following requirements for an initial submission of the ED-612 form by Applicants and "Other Parties" that apply for, or will benefit from, EDA assistance. (The meaning of the term "Other Parties" is discussed below in the instructions for Item 3.) In most cases these requirements are tied to the combined total number of permanent jobs to be created or saved by the Applicant or "Other Party" in their own workforce as reported in Items 7 and 8 of the form. "Permanent jobs" are defined below in the instructions for Item 6.) Except in those cases under (c) below when an "Other Party" is not identified at the time of project application, the form must be submitted to EDA as part of the project application.

(a) Applicants creating or saving fewer than 15 permanent jobs shall fill out only Items 1 through 8 plus 13 through 15 of the form.
(b) Applicants creating or saving 15 or more permanent jobs shall fill out the entire form.
(c) "Other Parties" creating or saving 15 or more permanent jobs, and either specifically identified as such in the project application to EDA or locating in an EDA assisted industrial park before EDA's final disbursement is made, shall fill out the entire form.

2. Follow-up Annual Report Requirements. EDA requires annual submissions of the ED-612 by those and "Other Parties" that fall under GENERAL INSTRUCTION Numbers 1(b) and 1 (c) above. The annual submissions contain only current employment data which EDA compares with the detailed employment projections these organizations submit in their initial ED-612 reports. See ANNUAL REPORTS, Section C, below.

3. EDA Civil Rights Evaluation. *EDA Civil rights Regulations* describe the basis upon which EDA evaluates an ED-612 form. The organization must develop these projections taking into account the character of the local labor market as reported in Item 14 of the form. Information obtained in the ED-612 will not be used as the sole determinant of a non-compliance finding.

4. Employment Plan Requirement. When projects will create new permanent jobs, EDA requires Recipients and "Other Parties" to make efforts to ensure that a portion of the newly created jobs are targeted to the long-term unemployed. Typically, EDA expects Applicants and "Other Parties" to consult with a local training agency and jointly develop an Employment Plan. The Employment Plan will identify the specific jobs to be targeted and the training programs and resources which will be used to train and refer qualified applicants for the new jobs. For further information on this requirement see EDA's published policies and procedures for its Employment Plans. Targeted jobs are reported in Item 7, Column K of the ED-612 form.

5. Limitation on Data Required. *EDA Civil Rights Regulations* set the following limitation on the employment information required by EDA. Public Applicants, such as towns, cities, and counties, that employ more than 1,000 persons, need only submit data for the sub-division, agency, unit, or department that actually administers the project or uses the funds. "Other Parties" and non-governmental Applicants for business loans need only submit data for the site, facility, or plant actually being assisted.

6. Job Categories. The nine job categories on the ED-612 form (Officials and Managers, Professionals, Technicians, etc.) are the standard ones used in Federal reporting, and are defined on the back of the form.

7. Minority Groups. The four minority group designations used on the ED-612 form(Black, Hispanic, Asian or Pacific Islander, and American Indian or Alaskan Native) are the standard designations adopted for Federal reporting, and are defined on the back of the form. They are not scientific definitions of anthropological origins. Employees should be included in the group with which they identify, or to which they are regarded as belonging by the community. No person shall be counted in more than one minority group.

B. INSTRUCTIONS FOR SPECIFIC NUMBERED ITEMS

The following instructions apply to the initial submission of the ED-612 form. They also apply to the Annual Reports, except as modified in the ANNUAL REPORTS section, Section C, below. If there is no information to enter for a specific item, leave the space blank.

Item 1 — Self explanatory.

Item 2 — Check one box. See GENERAL INSTRUCTION Numbers 1 and 2, Section A, above.

Item 3 — Check one box. If the organization is an EDA "Other Party," enter the name of the EDA Applicant or Recipient that directly receives EDA financial assistance. "Other Parties" are organizations that do not receive EDA financial assistance themselves, but indirectly benefit from it, perhaps by locating in an EDA assisted industrial park or by using an EDA constructed water line. "Other Parties" are defined fully in 15 CFR 8.3.

Item 4— For "First Impact Date," estimate the month and year (e.g. August 1988), in which EDA assistance will have its first effects upon employment, (actual new hires, promotions, averted layoffs, etc.). In cases where jobs are to be saved, the first impact may be immediately upon EDA approval of the project. EDA uses this date to begin measuring the employment effects of its assistance and to set due dates for annual reports.

Item 5 — For "Fully Operational Date," estimate the month and year (e.g. June 1990) in which the employment objectives of the EDA assistance have been fully met.

Item 6 — By job category and sex, enter the minority group data, and totals (minority plus non-minority) requested for current employees in *permanent* jobs only. "Permanent jobs" are defined here as full-time, year-round jobs of indefinite term. They must be at least 35 hours a week and 10 months a year. All other jobs will be considered part-time, seasonal, or temporary and are reported only in Items 11 and 12.

Item 7— Enter the number of *new* permanent jobs expected to be created as a result of EDA assistance or benefits. This must not include jobs counted in Items 6 or 8, nor part-time, seasonal, or temporary jobs.

If there is an Employment Plan for the project, enter the goal, established in the plan, for the number of jobs to be filled by the long-term unemployed. See GENERAL INSTRUCTION Number 4, Section A, above. While the Employment Plan itself may not distinguish between jobs targeted for males and those targeted for females, it would be helpful to make this distinction on the ED-612 form.

For the Annual Report, Item 7, has a different use. See ANNUAL REPORTS, Section C, below.

Item 8 — Enter the number of current permanent jobs that are expected to be lost if EDA assistance or benefits are not received.

Item 9– Project the number of employees expected to have permanent jobs *one year after* the "First Impact Date" given in Item 4.

Item 10 — Project the number of employees expected to have permanent jobs on the "Fully Operational Date" given in Item 5.

Item 11 — Include *only* part-time, seasonal, and temporary employees. Do not include permanent employees.

Item 12 — Include only part-time, seasonal, and temporary employees. Do not include permanent employees.

Item 13 — Self-explanatory.

Item 14 — All data to be entered here must cover the *Labor Market Area* (LMA), as defined by the U.S. Department of Labor and the State Employment Service, in which the project will be located. In most areas

JOB CATEGORY DEFINITIONS

Officials and Managers — Occupations requiring administrative personnel who set broad policies, exercise overall responsibility for execution of these policies, and direct individual departments or special phases of a firm's operations. Includes: Officials, executives, middle management, plant managers, and superintendents, salaried supervisors who are members of management, purchasing agents and buyers, and kindred workers.

Professional — Occupations requiring either college graduation or experience of such kind and amount as to provide a comparable background. Includes: accountants and auditors, airplane pilots and navigators, architects, artists, chemists, designers, dietitians, editors, engineers, lawyers, librarians, mathematicians, natural scientists, registered professional nursos, personnel and labor relations workers, physical scientists, physicians, social scientists, teachers, and kindred workers.

Technicians — Occupations requiring a combination of basic scientific knowledge and manual skill which can be obtained through about 2 years of post high school education, such as is offered in many technical instates and junior colleges, or through equivalent on-the-job training. Includes: computer programmers and operators, drafters, engineering aides, junior engineers, mathematic aides, licensed, practical or vocational nurses, photographers, radio operators, scientific assistants, surveyors, technical illustrators, technicians (medical, dental, electronic, physical science), and kindred workers.

Sales — Occupations engaging wholly or primarily in direct selling. Includes: advertising agents and sales workers, insurance agents and brokers, real estate agents and brokers, salesworkers, demonstrators, retail salesworkers, and sales clerks, grocery clerks and cashier checkers, and kindred workers.

Office and Clerical — Includes all clerical-type work regardless of level of difficulty, where the activities are predominantly nonmanual though some manual work not directly involved with altering or transporting the products is included. Includes: bookkeepers, cashiers, collectors (Bills and accounts), messengers and office helpers, office machine operators, shipping and receiving clerks, stenographers, typists and secretaries, telegraph and telephone operators, and kindred workers.

Craft Worker (skilled) — Manual workers of relatively high skill level having a thorough and comprehensive knowledge of the processes involved in their work. Exercise considerable independent judgment and usually receive an extensive period of training. Includes: the building trades, hourly paid supervisors and lead operators (who are not members of management), mechanics and repairers, skilled machining occupations, compositors and typesetters, electricians, engravers, job setters (metal), motion picture projectionist, patter model makers, stationary engineers, tailors and tailoresses, kindred workers.

Operatives (semi-skilled)— Workers who operate machines or equipment or perform other factory-type duties or intermediate level which can be mastered in a few weeks and require only lir training. Includes: apprentices (auto mechanics, plumbers, bric ers, carpenters, electricians, machinists, mechanics, building-tra metalworking trades, printing trades, etc.), operatives, attendants (service and parking), blasters, chauffeurs, delivery workers, dressr ers and sewers (except factory), dryers, furnace workers, hea (metal), laundry and dry cleaning operatives, milliners, mine operat and laborers, motor operators, oilers. and greasers (except at painters (except construction and maintenance), photographic proc workers, boiler tender, truck and tractor drivers, weavers (text welders, and flamecutters and kindred workers.

Laborers (unskilled) _ Workers in manual occupations which ger ally require no special trainings perform elementary duties that may learned in a few days and require the application of little or independent judgment. Includes: garage laborers, car washers a greasers, gardeners (except farm) and groundkeepers, stevedor wood choppers, laborers performing lifting, digging, mixing, loadi and pulling operations, and kindred workers.

Service Workers — Workers in both protective and nonprotecti service occupations. Includes: attendants (hospital and other insti tions, professional and personal service, including nurses aides a orderlies), barbers, charworkers, and cleaners, cooks (except hous hold), counter and fountain workers, elevator operators, firefighters a fire protection, guards, doorkeepers, stewards, janitors, police office and detectives, porters, waiters and waitresses, and kindred worker

MINORITY GROUP DEFINITIONS

Black (Not of Hispanic origin) — All persons having origins in any the Black racial groups of Africa.

Hispanic — All persons of Mexican, Puerto Rican, Cuban, Central c South American, or other Spanish culture or origin, regardless of rac

Asian or Pacific Islanders — All persons having origins in any of th original peoples of the Far East, Southeast Asia, the Indian Subcont nent of the Pacific Islands. This area includes, for example, China Japan, India, Korea, the Philippine Islands, and Samoa.

American Indian or Alaskan Native — All persons having origins i any of the original peoples of North America, and who maintain cultura identification through tribal affiliation or community recognition.

This form is estimated to take an average of .75 hours to complete. Time will vary depending upon the size of workforce and creation of jobs. Any comments on the amount of time you require to complete this form should be sent to the Director, Compliance Review Division, Economic Development Administration, Room 7019, Department of Commerce, Washington, D.C. 20230, and to the Office of Management and Budget, Paperwork Reduction Project (0610-0003), Washington, D.C. 20503.

Form ED-612 (Rev. 10/94)

of the United States. LMAs consist of one or more whole counties; metropolitan and urbanized LMAs usually are coextensive with Standard Metropolitan Statistical Areas (SMSAs) as defined by the Office of Management and Budget and the Bureau of the Census.

Item 15 — The ED-612 form must be signed by an authorized official of the reporting organization except *when* it is submitted by EDA Applicants as an integral part of an EDA Application form.

It is almost always the case that the data requested here is readily available from the local office of the State Employment Service. If necessary, EDA's Economic Development Representative (EDR), local and State planning offices and commissions, or Economic Development District offices also can assist.

As noted in GENERAL INSTRUCTION Number 3, Section A, above, Applicants and "Other Parties" must take this data into account when they prepare their projections for the future employment of minorities and women.

C. ANNUAL REPORTS

1. *EDA Civil Rights Regulations* require an annual submission of the Form ED-612 each year for three years from those Recipients and "Other Parties" falling under GENERAL INSTRUCTION Numbers 1(b) and 1(c), Section A, above. Also see GENERAL INSTRUCTION Number 2, Section A, above.

2. The Annual Reports shall contain data as of one, two, and three years after the "First Impact Date" established in Item 4 of the initial submission of the form to EDA. Since the "First Impact Date" is expressed only as a month and year, follow-up data should normally be as of the end of the appropriate anniversary month. If a project becomes unavoidably delayed for over three months, the applicant or "Other Party" may request a change of the "First Impact Date."

3. Annual Reports are due within two weeks after the end of the appropriate anniversary month. They shall be sent to EDA's Office of Compliance Review/Civil Rights in Washington, D.C.

4. For the Annual Report, complete only Items 1,2,3,6,7,11,13 and 15.

Item 7 — (For annual report only) By sex and job category, enter the following data on *employees actually hired* or permanent jobs since the date of the most recent Form ED-612 report sent to EDA: In Column F, enter total employees hired. In Columns G-J, enter total minorities hired. In Column K, enter the number of long-term unemployed hired as a result of the training, referral, or other services provided under your Employment Plan. See GENERAL INSTRUCTION Number 4, Section A, above.